

385.731

Un3

v.64



LIBRARY
OF THE
UNIVERSITY
OF ILLINOIS

385.731

Un3
v. 64

COMMERCE

The person charging this material is responsible for its return to the library from which it was withdrawn on or before the **Latest Date** stamped below.

Theft, mutilation, and underlining of books
are reasons for disciplinary action and may
result in dismissal from the University.

UNIVERSITY OF ILLINOIS LIBRARY AT URBANA-CHAMPAIGN

NOV 10 1974

NOV - 8 1974

L161—O-1096



Digitized by the Internet Archive
in 2013

64TH ANNUAL REPORT
OF THE
INTERSTATE COMMERCE
COMMISSION



NOVEMBER 1, 1950



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1951

INTERSTATE COMMERCE COMMISSION

J. MONROE JOHNSON, *Chairman*

CLYDE B. AITCHISON

WILLIAM E. LEE

CHARLES D. MAHAFFIE

WALTER M. W. SPLAWN

JOHN L. ROGERS

J. HADEN ALLDREDGE

WILLIAM J. PATTERSON

RICHARD F. MITCHELL

HUGH W. CROSS

JAMES K. KNUDSON

W. P. BARTEL, *Secretary.*

305-125
Wm =
V. 6 +

TABLE OF CONTENTS

(For details see index)

SPECIAL SUBJECTS

	Page
Acquisition of equipment by lease and conditional sales.....	38
Admissions to practice.....	60
Agreements between or among carriers.....	44
Bus fares and charges.....	43
Class rate and classification investigations.....	48
Commodity descriptions in operating authorities.....	50
Electronics in transportation.....	57
Government reparation cases.....	50
Increased express rates and charges, 1949.....	43
Intrastate rate cases.....	47
Investigations.....	45
Laws relating to railroad labor.....	50
Legislative recommendations.....	128
Less-than-carload rate proposal.....	49
Loss and damage claims on eggs.....	60
Pickup and delivery service.....	49
Protective service and car-owning companies.....	52
Railroad passenger fares.....	42
Railroad reorganizations.....	32
Railway mail pay.....	44
Reconstruction Finance Corporation Act.....	41
Reserved railroad and pullman passenger accommodations.....	43
Safety work and accidents.....	53
Rail.....	53
Motor.....	55
Small shipments.....	49
Spotting services at industrial plants.....	59
Standard time zone investigation.....	58
The Defense Production Act of 1950.....	27
Traffic and earnings of transport agencies.....	20
Train service, car service, and car supply.....	29
Transportation during the year.....	1
Voluntary reorganizations.....	35
Water-competitive rail rates.....	51
Work of the legislative committee.....	61

BUREAUS

Accounts and cost finding.....	67
Finance.....	73
Formal cases.....	76
Informal cases.....	77

	Page
Inquiry.....	78
Law.....	81
Locomotive inspection.....	94
Motor carriers.....	98
Safety.....	107
Service.....	112
Traffic.....	117
Transport economics and statistics.....	120
Valuation.....	123
Water carriers and freight forwarders.....	125

REPORT OF THE INTERSTATE COMMERCE COMMISSION

WASHINGTON, D. C., November 1, 1950

To the Senate and House of Representatives:

The Interstate Commerce Commission has the honor to submit herewith its sixty-fourth annual report to the Congress. The period covered by this report extends from November 1, 1949, to October 31, 1950, except as otherwise noted.

A statement of appropriations and aggregate expenditures for the fiscal year ended June 30, 1950, is contained in appendix F to this report.

TRANSPORTATION DURING THE YEAR

The year covered by this report has been one of unusual complexity in transportation. The preceding year had been a very unsatisfactory one for the railroads and some other transportation agencies. The downward trend in their traffic carried into the current period. Competition became increasingly severe. The railroads, burdened with a heavy deficit in passenger-train operations, were seriously concerned over the continuing diversion of traffic to other agencies, particularly to motor carriers, regulated and unregulated. With large added investments in recent years in improved facilities they saw a need for building up traffic volume in an effort to realize the benefits of these expenditures, to improve their credit standing, and for other purposes. Accordingly, they took steps they considered necessary both in the short run and from a longer point of view. Some branches of water transportation also were continuing to face important difficulties, and motor carriers of passengers were experiencing a falling volume of traffic during at least part of the current year. Other carriers found conditions more satisfactory.

Somewhat more than midway of our report year hostilities broke out in the Far East, and emphasis was placed on a rearmament program. The most striking immediate effect was the development of car shortages and concentration on means of relief, as noted below. While there had been some gains in rail carload traffic in the second quarter of 1950 compared with the same quarter of 1949, the major improvements in traffic and earnings and a decline in the operating

ratio have followed the country's change to a partial war basis. The traffic of other agencies also has felt the effects of this change. Inflation, whose effects on rates were discussed in our report for 1948 and whose absence was noted with satisfaction in our last report, again has become a problem and one of uncertain proportions. The buyers' market of last year may be transformed into a general sellers' market in the near future. The extent of conversion of industry to a defense basis and of economic controls, matters of interest to all carriers, is unknown at this time. While some abatement of the competitive conditions referred to above has occurred, there obviously has been no change in the basic influences at work on the transportation system.

An unusual amount of official attention has been given to the "transportation problem" during the year. In the belief that remedies for their problems lie largely in that direction, the railroads and to some extent other carriers took their case to Congress. Many of the issues there raised relate to matters which are not germane to the duties Congress has placed on us. Other issues of direct concern to us, such as proposals to extend or reduce the scope of regulation or to provide us with more definite legislative standards or policies, cannot be gone into here or at this time. We take no position on the complaints made or the remedies suggested. A summary of the record in the Senate investigation of domestic land and water transportation is, however, presented elsewhere in this report.

Railroad rate increases.—We gave considerable emphasis in our last annual report to the effects of a compounding of railroad rate increases. Measurement of these effects necessarily is difficult. In the first half of the present year, miscellaneous carloadings (largely manufactures) were 1.0 percent higher than in the corresponding period of 1949, whereas the adjusted Federal Reserve Board index of manufactures (1935-39=100) was about 5.5 percentage points higher. In the first 9 months of 1950 carloadings were higher by 5.7 percent than in that period in 1949, while the index was 10.5 percentage points higher. No allowance is made in these comparisons for any increase in average load per car. Carloadings of merchandise less-than-carload traffic were 12.4 percent lower in the first 6 months of 1950 than in this period of 1949; in the entire first 9 months they were 8.9 percent under 1949 and 22.9 percent under 1948. In September 1950, however, they were 4.5 percent above September 1949. Both types of carloadings were, however, still lower in September than in that month of 1948. Other comparisons are difficult because of disturbances or changes in basic industries. As stated, the effect of hostilities in the Far East and of the rearmament program is apparent in the recovery since the middle of 1950, but the basic competitive problem which high rates present for the railroads, even though the

rise in rates has been less than the rise in prices generally, remains a matter of concern to the railroads and the public. The spread between the rise in rates and the rise in prices has widened during the current year.

Another kind of evidence as to the effect of high rail rates is provided by the statistics on the distribution of aggregate ton-miles among the several agencies of transportation. As noted in the succeeding chapter, rail ton-miles¹ declined 11.2 percent from 1946 to 1949, while total ton-miles declined 0.8 percent.² The rail share of the total fell from 68.6 to 61.4 percent. A staff estimate indicates that the ton-miles of class I, II, and III motor carriers, which represented about 6 percent of the ton-miles of class I railroads in 1939 and less than 4 percent in 1944, advanced to about 10 percent of rail ton-miles in 1949, with a further increase indicated as likely in the first half of 1950. The intercity freight revenues of these motor carriers are estimated as equivalent to 31 and 38 percent of rail freight revenues in 1948 and 1949, respectively.

Reductions of selected rail rates are, of course, an indication of a need felt by the railroads for adjusting rates they consider too high for their own good. Some important reductions of this kind have become effective during the year and others are under investigation after protests by motor or water carriers. Commodities involved include, among others, iron and steel articles, automobiles, petroleum products, cotton products, and canned and preserved foodstuffs.

We referred in our last decision in Ex Parte No. 168 and in our last report to the efforts of the railroads to obtain more gross revenue from some traffic for a lower volume of service as not healthy for the railroads or the public. The departure in these instances from the railroads' past emphasis on building up volume of business was noted. "Losses to other means of transportation, relocations of plants, or substitutions of commodities have effects which are difficult to overcome." How far this situation may be permanent is contingent, we said, upon a number of factors, not the least of which is the future trend of the costs of the railroads and their competitors. "The process," we added, "may appear to be one which involves a rationalization of railroad plant—of gearing it to do what it can do best—or it may be that conditions are more adverse at the moment than they will prove to be in the longer run." We also referred, as we have in recent general rate-level decisions, to the possibility of a selective adjustment of rates "to meet the difficulties of producers or distributors in given areas" (as the result of large cumulative increases in rates)

¹ Includes estimated ton-miles, small in aggregate amount, of express, mail, and electric railway traffic.

² "Total ton-miles" includes rail, motor, inland waterway, pipeline, and air ton-miles.

"or to lessen diversions to other media of transportation." We also noted the objections of rail competitors to such reductions.

Competitive rate reductions.—The reductions made to meet competition during the present year have been made possible in part by the high level of charges on other traffic. It is urged by parties who object to these reductions that an undue burden of high rates remains on other rail shippers, that the reductions produce no net advantage to the railroads, that rate structures and classifications are being broken down with resulting unjust discriminations against some communities or commodities, and that the end result will be a spread of reduced rates that will be harmful to all transportation agencies involved. Water carriers urge that railroad rates on commodities peculiarly adapted to water transportation are on a depressed level. On the other hand, railroads in the current year have protested proposed reductions in motor and motor-water rates on the ground that they are greater than necessary to enable rail competitors to share in the traffic. In some of these controversies the railroads have referred to their own service handicaps in meeting motor competition.

We have dealt with the issues presented in these various and increasingly numerous controversies in the light of the facts presented in the individual case and of the standards set out in the Interstate Commerce Act. Carriers are entitled under the act to compete for traffic, and all types of transportation have initiated reductions for that purpose. It is required, however, that the rates proposed be reasonably compensatory, that they do not result in undue discrimination, and that they do not lessen the carriers' ability to render adequate service. We have indicated that the act does not require or permit us to raise or maintain the existing level of rates on particular traffic in order to provide protection for competing forms of transportation. (See *Citrus Fruit from Florida to North Atlantic Ports*, 266 I. C. C. 627, 633-635, and *Increased Freight Rates, 1947*, 270 I. C. C. 403, 441-445.)

It is appropriate to observe, however, that frequently we are required to pass on reductions in rail and other rates largely on the basis of opinions as to what the effects on gross and net earnings will be. Reductions which are certain to have important adverse effects on other carriers and which may prove to be of little benefit to the carriers by whom they are made should be predicated on firmer knowledge of what they will accomplish. We realize that no two sets of conditions are exactly parallel and that extraneous factors detract seriously in some instances from the value of comparisons of volume of traffic and revenues prior to and after given rate changes. The burden rests on the carriers, however, to prove that rate reductions brought about by the competition of different modes of transportation will have the

anticipated economic effects and that the resulting rates will be just and reasonable, not unduly discriminatory, and consistent with the requirements of the national transportation policy. In some instances in the past we have permitted rates to go into effect contingent upon a showing at a specified later date that they have produced the results sought in putting them in effect. In the absence of such a showing the rates would be removed. It appears in the light of the national transportation policy and other provisions of the act that carriers should be required, in this period of basic adjustments in the rates of diverse forms of transportation, to give as adequate proof as possible of the end results of what they propose. Experience with reductions on the same or related commodities could be marshaled, in some instances at least, for this purpose. In any event, the subject is worthy of consideration and discussion.

Unprofitable passenger-train operations.—Railroad passenger traffic, which necessarily declined after World War II, continued at a lower level in the first 7 months of 1950 than in the same months of 1949 or 1948, though passenger revenue decreased somewhat less than the number of passengers carried or passenger-miles. The level of passenger business remains, however, substantially above that of the immediate prewar years. An increase of 12.5 percent in all passenger fares of eastern railroads was permitted by our decision of November 8, 1949, and various advances in commutation fares became effective. The aggregate deficit from passenger-train operations, computed by our staff on the basis of the formula we have prescribed, was \$649 millions (preliminary) in 1949. Over 60 percent of this deficit, according to a staff calculation, was attributable to head-end traffic (mail, express, baggage, and milk). The heavy drain so placed on freight revenues has caused us continued and increasing concern during the year. With few exceptions all railroads experience this drain. The need for volume passenger travel is obvious from the experience of World War II, but the competition of travel by private car and other means is one which few railroads have met with any success and generally only as to particular trains. In 1938 air passenger-miles were 6.1 percent of the combined rail (parlor and sleeper) and air passenger-miles; in 1946 they were 23.0 percent, in 1949, 41.2 percent, and in the first 3 months of 1950, 39.3 percent. Registrations of automobiles, including taxicabs, have risen from 28,100,188 in 1946 to an estimated total of 39,565,000 in 1950 or 40.8 percent. There is no ready answer to the problem which this competition, as well as that of the busses, presents. A many-sided approach to it is required. The need for the abandonment of unpatronized and unprofitable services was discussed in our last report. While some additional withdrawals of passenger service have been permitted during the year by the controlling public au-

thorities, the need for further examination of what can be done in this direction in the interest of the railroads and of shippers remains important.

Discussion of the railroads' application for increased compensation for the transportation of the mails appears elsewhere herein.

An important part of the deficit from passenger-train operations is caused by the inadequacy of the payments which the railroads receive for services rendered the Railway Express Agency. A number of advances in express charges have been necessitated by increases in the costs of the Agency and of the railroads in handling express traffic, but the Agency's revenues, which had increased greatly during the war and stood at about \$442 millions in 1945 and 1947, have declined to \$335 millions in 1949 and to \$174 millions in the first 7 months of 1950. Revenues from domestic express operations were 20.0 percent lower in 1949 than in 1948, and 8.6 percent lower in the first 7 months of 1950 than in the same months of 1949. Total operating expenses fell, however, 15.2 and 12.5 percent in the respective periods. Payments received by class I railroads (substantially equal to "express-privilege payments") declined 32.4 percent in 1949 under 1948 and 6.9 percent in the first 7 months of 1950 under the same period in the previous year. The railroads receive considerably less than is required for adequate remuneration. We allowed further increases in express rates in *Increased Express Rates and Charges, 1949*, 277 I. C. C. 249, decided March 6, 1950. The problems found in the express field are similar in various respects to those which plague the railroads in the conduct of passenger operations. Increases in efficiency or adjustments of service have not been sufficient to exert a substantial influence on the upward trend of unit costs. Meanwhile competition in service or charges has risen to deprive railroad express of advantages at one time peculiar to it. The Agency's conduct of express operations in conjunction with air carriers throws light on the reasons for the difficulties it experiences in its larger surface operations. Various plans have been put forth looking to a reorientation of the express business along with other services now utilized in the handling of smaller shipments. Parcel-post operations conducted at rates which have advanced relatively less on shipments moving longer distances and of greater weight have been an important factor in the difficulties experienced in railroad express operations. The Postmaster General has recently requested our consent to an increase in these rates.

Operating efficiency.—Reference was made in our last two annual reports and in our last decision in Ex Parte No. 168 to the great need for achieving lower costs in rail operations through greater efficiency. The competitive condition and needs of the railroads are such that no means of effecting economies, whether in the day-to-day operations

to which employees can contribute or through improvement of facilities, can properly be overlooked.

It is recognized that the railroads have spent large sums since the war, as well as before, for improvements of their facilities, that these expenditures have been beneficial, and that the railroads have unrealized plans for further improvements of their properties. The increase in wage rates in recent years has led to considerable additional searching for means of economy through mechanization of operations and otherwise. A staff study released during the year indicated that the railroads have effected very substantial economies through their extensive adoption of Diesel locomotives and that further large economies in motive power are possible. It is to the credit of railroad management that these savings have been achieved, as very large financial commitments were involved. While use of Diesels in yard and terminal operations has been very beneficial, the greatly increased use of such power in line operations has put added emphasis on the need for improving terminal operations in the interest of securing maximum benefits from the road locomotives and in the interest of economy and improved service. The accepted indicators of operating efficiency, which continued to rise before the outbreak of hostilities in the Far East and thereafter, all relate to line service. All phases of terminal operations, including freight-house and office practices, require the fullest possible attention, though it is noted that progress continues to be reported in certain directions.

The less-than-carload service of various railroads has been improved during the year in speed, dependability, and convenience of schedules, but shippers generally feel that there still is considerable room for improvement in this field of service. Some consider that further coordination of motor with rail operations is needed. Various added costs have been incurred by the railroads in providing improved less-than-carload service. The effects on net revenue of these efforts to hold or regain this class of traffic are a matter of considerable interest in view of the uncertain benefits which less-than-carload traffic has been held to confer on the railroads. A proposal, which has taken a number of forms, for the pooling of this traffic has received some attention.

Transportation and defense.—The concern which some were feeling about the low level of buying of freight cars in 1949 was noted in our last annual report, and reference also was made to the deferment of repair work. Similar expressions were heard early in the present year. Others questioned the need for any major action to build up the supply of serviceable cars. While there had been a tight situation as to some types of cars in the fall peak of 1949, a substantial surplus of serviceable cars existed in the forepart of 1950. On the other hand,

retirements were occurring at a heavy rate. Their financial condition and their view of the business outlook for 1950 figured in the railroads' buying programs. The need for making substantially more cars available, by buying and repairing, and for making more effective use of cars while in railroad and shipper hands, was quickly recognized after hostilities broke out in June and as the rearmament program received added emphasis. The average daily car shortage exceeded 39,000 in the week ended August 26 and was approximately 34,000-35,000 in the latter part of October. Meanwhile, carloadings reached a point in the middle of October 52 percent above the loadings in the same week of 1949, though they still were somewhat below the loadings of that week in 1948. The 5-day week in industry and in certain railroad operations is charged with withdrawing the equivalent of a great many cars. Discussion of the car situation in more detail and of the steps taken by the railroads, shippers, the Defense Transport Administration, and ourselves appears at a later point. Also discussed there are activities concerned with the mobilization of the facilities of other forms of transportation.

Motor carriers of property.—The volume of business done by intercity motor carriers of property during the year covered by this report has gone considerably beyond the peak reached in the preceding year. Operating revenues of class I intercity carriers³ increased 11.8 and 8.9 percent in the third and fourth quarters of 1949 compared with the same quarters of 1948; tons carried increased 6.6 percent in the third quarter and 4.3 percent in the fourth quarter. For the year 1949 the increases were 10.4 percent in revenue and 3.8 percent in tons. Expenses advanced slightly more and the operating ratio increased from 94.1 percent in the latter half of 1948 to 94.9 percent in the same period of 1949, and was 94.7 percent in the year. Net income before provision for income taxes was less by 13.9 percent in 1949 than in 1948. In the first half of 1950 tons carried were 21.2 percent above tons carried in the same period of 1949 and revenues were 25.5 percent greater. The operating ratio was 92.3 percent compared with 94.4 percent in the like half of 1949 and net income before taxes was 73.7 percent greater. These marked increases were progressive. Thus, revenues were 8.9 percent higher in the last quarter of 1949, 20.9 percent higher in the first quarter of 1950, and 29.9 percent higher in the second quarter of 1950 than in the corresponding quarters of 1948 or 1949, and tons, which were 4.3 percent higher in the fourth quarter of 1949 than in that quarter of 1948, were higher by 17.8 and 24.5 percent in the first and second quarters

³ Effective the first quarter of 1950, class I carriers were defined as carriers having annual operating revenues of \$200,000 and over. The limit previously had been \$100,000. This change does not affect the comparisons here made, which are based on identical carriers in the respective periods.

of 1950 than in the respective quarters of 1949. The operating ratio declined from 94.9 percent in the first quarter of 1949 to 93.2 percent in that quarter of 1950 and from 94.0 to 91.6 percent for the second quarter. For groups of carriers, changes in the operating ratio in the first half of 1950 compared with the first half of 1949 were as follows: Common carriers of general commodities, from 94.9 to 92.4 percent; common carriers of special commodities, from 93.7 to 92.6 percent; and contract carriers, from 91.9 to 90.8 percent. Revenue per ton for the same periods and carrier groups increased 1.6, 0.4 and 13.5 percent, respectively. There are duplications in the tons used in obtaining the latter changes and changes in the composition of traffic and average haul per shipment must be considered.

Motor carriers of property extended the scope of their operations further during the year and there have been additional plans for "long-haul" operations, to which considerable opposition has developed. There has been an increase in interchange of trailers among carriers and further attention has been given to the mechanical and accounting problems met with in such interchanges. Necessarily, as we have granted more and more operating rights, it has become more difficult for applicants to meet the tests laid down in the act for the granting of new rights. The development of new commodities or changes in the form in which commodities are shipped, the location of industries at new points, and other conditions result, nevertheless, in our continuing to grant many requests for new operating authorities or extensions of existing ones. The process of unification of carriers has continued, though we have denied a substantial number of requests to unify. Many new terminals designed and equipped to enable more efficient handling of traffic have come into use. The costs of some of these terminals have been several hundreds of thousands of dollars. Much study has been given by groups of carriers, in addition to individual carriers, to means of achieving greater efficiency in terminal practices. Employees of motor carriers have made gains in wage rates, welfare plans, and in other ways, both in large and in more localized areas. The change in the Federal social security legislation also has benefited these workers. The regulated branch of the industry is concerned, as are the railroads, about the increasing amount of exempt motor transportation, and there is also an awareness of the actual and potential competition of private trucking, some of which involves use of leased vehicles or the for-hire transportation of fish and agricultural commodities on return hauls. Controversy continues as to the interpretation of the term "private carrier of property by motor vehicle." Carrier and shipper groups await definitive court determination of this basic issue. Motor carriers often refer to the lack in some States of what they consider appropriate size and weight

limits and urge the need for more factual data in order that such limits may be set properly. They also feel the need for careful consideration of their requirements in the planning of future highways. Various items of operating costs have been increasing and costs of new equipment are considerably higher than they were a few years ago. We have permitted advances in common-carrier rates in certain areas and have other proposals of a somewhat limited nature before us. There have been both increases and denials of increases in intrastate rates. Shipper resistance to increases in motor rates has been substantial, however, in most instances. Competitive conditions among motor carriers became extreme in some areas during the year, and a minimum rate order became necessary in one area. Objections to the structure of motor rates have been expressed by both the carriers themselves and shippers. Motor carriers are particularly concerned over the selective reduction of rail rates which have been undertaken during the year. This subject is discussed elsewhere herein.

The trucking industry has been making efforts, partly at the request of and with the cooperation of our Bureau of Motor Carriers, to devise means of overcoming congestion in particular areas and in preparing themselves for the load they will have to carry with further advancement of the rearmament program. By anticipating problems it is hoped that difficulties experienced during World War II will be avoided or minimized. With more, better, and faster vehicles and more efficient terminal practices, the industry feels it can do the job that may be required of it. The adequacy of the supply of manpower, of vehicles, and of materials and supplies has, however, caused some concern.

The operating revenues of local class I motor carriers of property were lower by 5.7 and 4.9 percent in the third and fourth quarters of 1949 than in the same quarters of 1948 and by 4.9 percent in the year. In the first half of 1950, however, there was an increase of 8.1 percent over that period of 1949. The operating ratio of these carriers, 96.0 percent in 1948 and 97.8 percent in 1949, was 95.8 percent in the first half of 1950 as compared with 97.3 percent in that period of 1949.

Motor carriers of passengers.—Class I intercity motor carriers of passengers transported 19.2 percent fewer passengers in scheduled intercity service in the latter half of 1949 than in the same period of 1948 and 14.4 percent fewer in the year 1949 than in 1948. Revenues from this service fell off 12.5 and 7.5 percent in the respective periods. Bus-miles operated were down 7.0 percent in the year. In the first half of 1950 the number of intercity passengers was 16.9 percent less than in that period of 1949, intercity revenue was down 10.3 percent, and intercity bus-miles declined 8.8 percent. Total revenues, \$420,-

408,946 in 1948 and \$393,414,097 in 1949, fell 6.4 percent; in the first half of 1950 the decline was 9.2 percent. Expenses were greater in both periods than in respective earlier periods, and the operating ratio rose from 87.7 percent in 1948 to 91.3 percent in 1949, from 83.9 percent in the latter half of 1948 to 88.1 percent in the latter half of 1949, and from 94.7 to 95.2 percent in the first half of 1949 compared with that period in 1950. Net income before provision for income taxes was down 35.2 and 18.0 percent in the year and 6-month period. The large increase in the aggregate mileage of passenger-car operation may be set alongside this reduction of bus travel. According to a staff estimate, intercity passenger-miles of class I, II, and III motor carriers declined 10.1 percent from 1948 to 1949, or substantially less than the decline of 16.2 percent in rail passenger-miles (exclusive of commutation travel) and constituted 71 percent of such rail passenger-miles in 1949. In 1944, they constituted about 30 percent. The industry has given much attention to the role it can play in the rearmament program and has made preparations to meet the calls made on it. The general investigation we have made of bus fares is mentioned elsewhere.

Class I local motor carriers of passengers also have experienced reductions in volume of business and revenues in the last year. Their total operating revenues were lower by 9.2 percent in the latter half of 1949 and by 4.3 percent in the year 1949 than in the respective preceding periods, expenses were lower by 4.9 and 2.3 percent, and the operating ratio advanced from 89.7 to 94.0 percent for the last half of 1948 and 1949 and from 92.1 to 94.1 percent for the entire years 1948 and 1949. In the first 6 months of 1950 revenues were down 6.7 percent, expenses were down 5.0 percent, and the operating ratio advanced from 94.2 to 95.9 percent, all in comparison with the first 6 months of 1949. There has been little complaint about the fares of these carriers. During the year we suspended several tariffs proposing increased fares, and thereafter the respondents cancelled the tariffs without institution of hearings. No protests were filed against other increases and they were not suspended. We have passed on or have under consideration a few other proposed increases in local bus fares.

Water transportation.—The year covered by this report has been one of further adjustment and some additional recovery in the branches of domestic water transportation which have experienced difficulty in reestablishing themselves after World War II. Favorable factors of a general nature include the settlement of a number of changes in labor contracts without suspension of operations, further development of vessels of types which enable more efficient operation and reduce terminal handling costs, and clarification of water carriers'

understanding of the limits to which adjustments of competitive rates can be carried in their behalf. Costs in some operations, however, continue at a level which puts the carriers at a severe disadvantage. The condition and problems of domestic water carriers have been considered in two Senate investigations and a House investigation of a broad nature. While the relations of rail and water rates have continued to be a problem to which water carriers attach major importance, there has been some tendency to look to legislation as a possible means of relief. The competitive positions of ports interested in both foreign and domestic trade have changed materially since the war and partly as a result of the war. A number of ports which have lost ground have been endeavoring in various ways to reestablish themselves.

Conditions necessarily have differed considerably in the several trade areas. Operations in the Atlantic and Gulf coastwise and inland trades have remained at a relatively low level compared with prewar, though some further recovery appears to have occurred during the year. Tons carried in 1949 were 14.2 percent lower and freight revenue was 4.1 percent higher than in 1948, but in the first half of 1950 tons and revenues were higher by 4.1 and 21.8 percent than in the same period of 1949.⁴ The over-all operating ratio declined slightly, from 102.3 percent in 1948 to 101.0 percent in 1949, and the deficit in net income fell from \$1,463,027 to \$158,988. Aside from requests for temporary operating rights, there have been a few applications for new operating authorities or for extensions or modifications of existing authorities. Fourth-section relief was withdrawn on movements of anthracite coal from Pennsylvania mines to destinations in New England territory, and we directed the railroads to enter into joint through rates between North Atlantic ports and New Orleans with a line which has been extending its operations in the Atlantic-Gulf trade. The difficulties in relating rail to water rates when water transportation is conducted on an exempt basis were noted in a decision as to certain proportional rail rates against which a coastwise water carrier and others had complained.

The condition of such Great Lakes carriers subject to our jurisdiction as engage to a large extent in the transportation of coal, iron ore, grain, limestone, iron and steel, and passenger automobiles does not present

⁴ Only tons and passengers carried and freight and passenger revenues are reported quarterly. Percentage changes in freight revenue from period to period necessarily differ, in some cases materially, from changes in total operating revenues. In the interest of a brief presentation, and in order to give more current data, only freight revenue is used for the present purpose. The same carriers are included in each period used in a given comparison of tons and revenue. The operating ratio and net income per dollar of operating revenue, derived from the annual reports, do not necessarily relate to the same carriers in each period or to the same carriers as reported quarterly data during the year. Some adjustments of annual data have been made to enable better comparisons. In referring, for convenience, to "all carriers," class C carriers, which in 1949 accounted for 6.7 percent of total reported operating revenues, are omitted. The brief summaries here presented necessarily obscure the many variations in conditions from company to company.

any particular problem, but other carriers in this area have continued to experience difficulties. Tons carried by all reporting carriers were 6 percent greater in 1949 than in 1948 and freight revenue was 15.3 percent greater. In the first quarter of 1950, however, both tons and freight revenue declined sharply compared with the same period of 1949; a smaller decline was shown in the second quarter. The over-all operating ratio was 88.4 percent in 1948 and 87.2 percent in 1949; net income after provision for income taxes was 5.8 and 8.7 cents per dollar of operating revenue in the two periods. In response to the requests of shippers interested in so-called "package freight" service and of carriers, Congress enacted legislation which made 10 war-built vessels available on terms considered necessary to enable rehabilitation of such service. Applications have been filed for more vessels than were allotted for this purpose.

Carriers operating on the Mississippi River system of waterways subject to our jurisdiction are generally in a sound economic condition. They continue to add modern, efficient equipment. Rates have been increased less in this area than the railroad rates. Traffic volume was affected in the period covered by this report by reduced production and the subsequent shutdown and slow recovery of coal mining and by the strike in the steel industry. Tons carried were 9.6 percent lower in 1949 than in 1948 and freight revenue was only 4 percent higher in 1949. Large reductions in volume occurred in the third and fourth quarters of 1949 and a lesser reduction in the first quarter of 1950, each period in comparison with the like period of the preceding year. This condition was reversed in the second quarter and volume and freight revenues were higher by 11.9 and 13.9 percent in the first half of 1950 as compared with the first half of 1949. The over-all operating ratio was 90.2 percent in 1948 and 87.4 percent in 1949; net income per dollar of operating revenue was 4.3 and 6.4 cents in the two periods. The trend in this area for a number of years toward concentration on commodities in bulk or in barge lots and the elimination in very large part of carload and less-carload service have led to complaints to us. It may be noted that we have granted an application for operating authority, not yet effective, to a common carrier which plans to furnish service not only for shipments handled in the conventional manner but also by use of containers and by transporting loaded trailers. Pickup and delivery service is to be rendered. The area to be served is a relatively limited one. Pending before us is an application of an existing specialized carrier for authority to transport general commodities on the Mississippi River and important tributaries and on the Gulf Intracoastal Waterway. If this application is granted, the carrier will acquire a fleet of tractors and trailers and transport the trailers on

its barges or self-propelled equipment in addition to its barge-lot business. The plans of the two applications reflect efforts, in the one case over a very large area, to tie water and motor transportation together and to eliminate expensive transfers of "package freight" to and from the water equipment. Two applications for new or additional authority to conduct barge operations are pending before us, as is an application for passenger rights. The appeal taken by the railroads from the decision of a lower court which upheld our findings in *Rail and Barge Joint Rates*, 270 I. C. C. 591, is now before the Supreme Court.

There are evidences that a somewhat more optimistic attitude exists now among some water carriers in the Pacific coastwise and inland waterway trades than a year ago. There have been additional operations under existing operating authorities, and several applications have been considered or are pending for extensions of present authorities. In large part, these applications involve the barge type of operation and common-carrier, general-commodity service, and most represent requests for rights along the coast as well as on specified inland waterways. Shifts in production of lumber and lumber products to points not within reach of the conventional type of vessel have been the basis of some of these applications. Factors contributing to the modest degree of recovery of common-carrier service include more stable labor-management relations, increased rail rates, less emphasis by shippers on expedited service, and adjustments in operating practices. These adjustments have resulted in part from the further use of special war-built equipment. Shipments of "packaged" lumber increased during the year. Shipping in this area also has benefited by the increased activity in the intercoastal trade, discussed presently. Certain carriers, including inland carriers, have felt the further effects of motortruck competition. Carriers which report to us finished the year 1949 with 0.9 percent less tonnage carried than in 1948 but with 29.9 percent greater freight revenue. In the first half of 1950 tons carried were lower than in the same period of 1949 by about 13 percent, but freight revenue was 17.5 percent greater. The over-all operating ratio was 89.4 percent in 1948 and 87.8 percent in 1949; net income per dollar of operating revenue was 6.8 and 7.0 cents in the two periods. A further decision was rendered in April in *All Rail Commodity Rates Between California, Oregon, and Washington*, 277 I. C. C. 511, and the proceeding was discontinued.

Carriers engaged in the Atlantic-Pacific and Gulf-Pacific intercoastal trades transported 38.8 percent more tons and earned 52.0 percent more freight revenue in 1949 than in 1948. Tons carried in the first quarter of 1950 were 26.6 percent above those of the same

quarter of 1949 and freight revenue was higher by 30.6 percent. While the second quarter showed substantially no change in tonnage over that quarter of 1949 and freight revenues were only 7.9 percent higher, tons carried were 11.6 percent higher in the half year than in the first half of 1949 and freight revenue was 17.9 percent greater. East-bound tonnage was particularly heavy, although a balance of traffic in this direction is normal. The increases noted occurred prior to the outbreak of hostilities in the Far East and to the institution of the rearmament program and therefore are apart from any effects which shortages of railroad cars may have on this trade. Applications for a number of extensions of operating rights and an application for an entirely new operation have been filed. Additional ports are being served by given carriers and additional vessels have been used on single trips. Some faster ships have been put in service, with as much as 5 to 7 days' reduction in turn-around time. Fewer vessels are being operated under Government bareboat charters than a year ago, but some carriers which have not found it possible or desirable to acquire vessels have been permitted, under legislation which authorized the Federal Maritime Board to extend bareboat charters of Government-owned vessels beyond October 31, 1950, to continue such chartering. While the number of ships is still well below the prewar figure, the increased size and speed of the ships now in use make comparisons based on numbers misleading. If the traffic carried in the first half of 1950, 2,366,719 tons, were to be multiplied by 2, the tonnage for the year would be about 68 percent of that of 1939. Additional, though still limited, passenger service is being provided. There have been no interruptions of service because of labor-management differences. A change has been made by Congress in the basis for computing Panama Canal tolls. While the tolls will be a little higher, the increase will be materially less than it might have been on the old basis. Complaints continue about the effects of competitive rail rates and there has been some mention of the possibility of further use of joint water-truck rates as a means of effecting greater penetration of the country in the solicitation of intercoastal tonnage. Annual reports of intercoastal carriers, other than carriers which also engage in foreign operations, are few in number. It may be noted, however, that for the two carriers so reporting in the 2 years the operating ratio declined from 105.9 percent in 1948 to 95.7 percent in 1949, and that, as against a net income deficit in 1948, there was net income of 1.8 cents per dollar of operating revenue in 1949.

There is further discussion of water carrier matters at other points in this report.

Freight forwarders.—The downward trend in number of shipments, tons, and revenue of freight forwarders, 1947 through the first half of

1948, mentioned in our last annual report, continued in the remainder of the year. Shipments, tons, and revenue in 1949 were lower by 2.9, 11.1, and 9.1 percent, respectively, than in 1948. This trend was reversed, however, in the first quarter of 1950 and the half-year's results show an increase of 9.4 percent in shipments, 8.6 percent in tons, and 7.8 percent in revenue received from shippers as compared with the half year of 1949. Rail less-than-carload shipments, on the other hand, declined 25.3 percent in this half-year period and the revenue therefrom was 21.6 percent lower. The number of reporting forwarders was substantially the same throughout the period here covered. In each period, about 76-77 percent of the revenue was expended for purchased transportation and about 22 percent was absorbed in operating expenses. Net income after provision for income taxes was 1.6 cents per dollar of revenue in 1948, 0.7 cent in 1949, and 1.4 cents in the first 6 months of 1950. Revenue per 100 pounds was \$3.25 in 1948 and rose only slightly to \$3.33 in 1949 and \$3.34 in the first 6 months of 1950. Average weight per shipment, 495 pounds in 1947, fell to 424 pounds in 1949 and was 430 pounds in the first half of 1950. Of total payments to carriers in the first half of 1948 and 1950, 72.5 and 68.6 percent went to railroads, 14.2 and 16.3 percent to motor carriers, 12.4 and 13.8 percent for pickup and delivery and transfer service, 0.4 and 1.1 percent to water carriers, and 0.5 and 0.1 percent to others. The three largest forwarders accounted for 56.3 percent of the tons and 60.5 percent of the revenue in the first half of 1950, compared with 59.8 and 62.7 percent in the year 1948. There is discussion elsewhere in this report of freight-forwarder legislation considered during the year and of other phases of the forwarder business.

Pipelines.—All petroleum pipelines which report to us quarterly (those with annual operating revenues of more than \$500,000) carried 9.4 percent fewer barrels and had 0.2 percent more revenue in 1949 than in 1948. The over-all decline was accounted for by crude oil lines, which carried 10.4 percent fewer barrels and earned 0.5 percent less revenue; lines engaged in the transportation of refined products handled 2.2 percent more barrels and earned 4.6 percent more revenue. An increase of 25 percent in imports, 1949 over 1948, and a reduction of 8.5 percent in the production of crude oil in 1949 adversely affected pipeline transportation of crude oil. In the first quarter of 1950 total barrels transported were lower by 6.2 percent than in the same quarter of 1949, though revenue was higher by 6.5 percent; in the second quarter, however, barrels carried were higher by 8.8 percent and revenue by 14.5 percent than in that quarter of 1949. Two additional carriers of refined products reported in 1950. Revenues of refined products lines were 15.3 percent of total reported revenue

in 1949, as contrasted with 7.6 percent in 1940. The average revenue per barrel of these lines increased slightly, from 25.0 cents in 1948 (average haul 304 miles) to 25.6 cents in 1949 (average haul 306 miles).

A recent survey⁵ indicates that to January 1, 1950, the mileage of crude-oil trunk lines, including lines for which reports are not made to us, had increased 23.4 percent since 1936 and 9.5 percent since 1941. For gathering lines the increases were 14.8 and 13.9 percent. Use of pipes of larger diameters has contributed to an increase of 74.6 percent in the total cubic capacity of crude oil trunk lines since 1936 and of 26.3 percent for gathering lines. Faster flows of oils have raised the effective capacity of the trunk lines still further. The mileage of refined oil lines increased 132 percent, 1941 through 1949, to a total of 20,881 miles. Here also there has been a trend toward lines of larger capacity. Crude oil trunk lines are found in 27 States, while refined products lines have spread to 35 States and the District of Columbia. A line under construction in the Pacific Northwest will add four more States. According to an estimate of our staff, total ton-miles of gathering and trunk lines have increased 74.8 percent, 1941 to 1948, or by 60.2 percent if comparison is made with 1949, with its drop of nearly 10 billion ton-miles.

Labor-management relations.—It has been necessary to refer in earlier reports to the serious effects on transportation of work stoppages in industry. A suspension of work in the coal industry began on September 19 of last year. While the production of anthracite coal and of bituminous coal west of the Mississippi River was resumed on October 3, full-scale operations did not get under way again until March 6, 1950. The service orders we found it necessary to issue to conserve railroad coal supplies are described elsewhere herein. The stoppage in the steel industry, which at its height involved 500,000 workers, began on October 1 and came to an end at varying dates and was substantially over by December 1. These interruptions of production necessarily had an important effect on the traffic and revenues of rail and water carriers and created difficult operating problems.

Government control of railroads.—The difficulties in labor-management relations in the railroad industry have been marked in the period covered by this report. For the fifth and sixth times since the beginning of World War II it has been necessary for the President, through the Secretary of War, under his constitutional powers and the Army Appropriations Act of 1916, to take possession and assume control of systems of railroads, in order to assure continuous and uninterrupted transportation service essential to the national defense and security and the public health and welfare. Such action became necessary

⁵ Department of Interior, Bureau of Mines, Information Circular No. 7585.

because of widespread strike situations which the President considered made governmental seizure imperative for the protection of the citizens.

By Executive Order No. 10141, on July 8, 1950, possession, control, and operation of the transportation system owned or operated by the Chicago, Rock Island & Pacific Railroad Co. was assumed by the Government through the Secretary of the Army. Proceedings under the Railway Labor Act in a controversy between that carrier (and many others) and members of the Switchmen's Union of North America, resulted in a report and recommendations by the Emergency Board appointed by the President. The union being unwilling to accept the Board's determination, authorized a strike upon seven western trunk lines (including the Rock Island) and three terminal railroad companies. Further mediatory efforts failed, and the union set a strike, which, despite further urging by the National Mediation Board for postponement became effective on June 25, 1950, on five important western trunk lines, of which the Rock Island system was one.

The President on July 6, 1950, appealed for a cessation of this strike. The union directed its members on four of the systems to return to work, but to continue on strike on the Rock Island system. Further mediatory appeals by the National Mediation Board were made to let the dispute be handled concurrently with that of the conductors and trainmen, pending before the same Emergency Board. These last-minute appeals were unavailing, and the President found no alternative to a seizure by him of the Rock Island system, as already stated.

The switchmen's union continued the strike after Government possession and control was assumed. Thereupon the Attorney General of the United States on July 8, 1950, filed a complaint in the United States District Court for the Western District of New York, *United States of America v. Switchmen's Union of North America*. A temporary restraining order was issued that day, and on August 11, 1950, after hearing upon the Government's motion for a preliminary injunction, the court issued a restraining order against continuance of the strike, pending final hearing. The opinion of the court is not yet reported. Later, as a settlement was reached between the members of the switchmen's union and the several railroads having contracts with it, the suit became moot and was dismissed. The Rock Island system, however, is still under Government control.

By Executive Order No. 10155, August 25, 1950, the President directed the Secretary of the Army to assume possession, control, and operation of all the class I railroads and their subsidiary lines, and certain terminal companies, a total of 301 carriers which was accomplished as directed on August 27, 1950. That control still continues.

This action forestalled a strike which had been called to begin the following day, which would have involved about 300,000 trainmen and conductors. Contracts between the Government and the several railroad carriers provide for the operation of the lines under the corporate managements, but subject to the assertion of such rights by the Government as may be necessary to accomplish the national purpose of preventing an interruption of transportation service threatened by a labor dispute. There has been cooperation between the affected railway operating employees and the military establishment set up within the Department of Defense, and transportation has not been interrupted by the dispute as was imminent before Government possession and control was assumed.

We have called attention in each of our last four annual reports to the need for better means of dealing with labor-management differences in the railroad field. Because of the close interrelations which exist among railroads, the effects of a cessation of operations on only a few selected carriers are disturbing to shippers and the public at points far beyond the immediate reach of the affected railroads. Cessation of operations on a Nation-wide scale would have effects of disastrous proportions. There has been additional clarification of the issues during the year as a result of the occurrences described but also of the consideration given the varied phases of the problem by the parties immediately involved and by public officials, as well as by shippers. It seems appropriate, therefore, again to repeat what we said in our report for 1946:

We believe that the public interest requires a careful new appraisal of the possibility of avoiding strikes in transportation without unduly trespassing on the rights of contending groups. The problem is not one which can be solved entirely by additional legislation; a large share of responsibility necessarily rests on carrier management and the leaders of organized labor. Any new legislative remedy which may be found necessary should encourage and implement efforts on the part of these groups to work together in what is basically a common cause.

Taxes affecting transportation.—The transportation tax yielded \$568,850,000 of revenue in the year ended June 30, 1950. Of this total, \$228,738,000 was derived from the tax on passenger travel, \$321,193,000 from the tax on transportation of property, and \$18,919,000 from the tax on pipeline transportation of oil. The yield in the preceding fiscal year was \$607,743,000. The adverse effects of this tax on for-hire carriers and its discriminatory effects on long-haul shippers have been noted in earlier reports. Legislation to modify this tax was under consideration when the outbreak of hostilities in the Far East and the rearmament program required search for additional sources of Federal revenue. Increases have been made in income tax rates and consideration is being given to the provisions of

an excess-profits tax, retroactive in its application. Provision has been made for accelerated amortization of defense facilities acquired subsequent to December 31, 1949, and other tax provisions which affect transportation agencies have been enacted or extended.

TRAFFIC AND EARNINGS OF TRANSPORT AGENCIES

For the 12 months ended June 30, 1950, the combined operating revenues of the eight groups of carriers subject to our regulation totaled \$13,771 million, which was 4.89 percent below the level attained in the calendar year 1948, as shown in the accompanying table. Three of the eight groups showed increases, the largest increase being recorded by water lines, 31.65 percent; followed by motor carriers of property with 12.53 percent; and pipelines (oil) with 4.96 percent. Of the five groups of carriers showing decreases, the greatest declines occurred in the four rail groups of carriers, led by the Railway Express Agency with a decrease of 20.23 percent. The operating revenues of steam railways for the fiscal year ended June 30, 1950, decreased 12.67 percent from the calendar year 1948, record high, despite further increases in rate levels during the intervening period.

Private car lines and freight forwarders are not included in the table. On the basis of quarterly reports, the operating revenues of private car lines amounted to \$162,497,171 for the fiscal year ended June 30, 1950, and the operating revenues of freight forwarders amounted to \$60,931,118 for the same period.

*Operating revenues*¹

Class of carrier	12 months ended June 30, 1950		Year ended Dec. 31, 1949		Year ended Dec. 31, 1948
	Amount	Percentage change from calendar year 1948	Amount	Percentage change from calendar year 1948	Amount
	<i>Thousands</i>		<i>Thousands</i>		<i>Thousands</i>
Steam railways ²	\$8,734,141	-12.67	\$8,884,675	-11.17	\$10,001,639
Railway Express Agency ³	235,193	-20.23	250,667	-14.98	294,833
Pullman Co.....	101,147	-11.94	105,897	-7.81	114,862
Electric railways.....	67,989	-11.82	70,182	-8.98	77,104
Water lines ⁴	312,026	+31.65	285,064	+20.27	237,015
Pipelines (oil).....	395,726	+4.96	376,452	-1.15	377,034
Motor carriers of passengers.....	510,708	-9.68	532,942	-5.75	565,430
Motor carriers of property.....	3,414,036	+12.53	3,033,846	+7.95	2,810,543
Grand total.....	13,770,966	-4.89	13,539,725	-6.48	14,478,460

¹ Partly estimated. Some of the 1948 figures as given in the 63d annual report have been revised.

² Includes switching and terminal companies.

³ After deducting payments to others for express privileges.

⁴ Includes only revenue from domestic traffic subject to the jurisdiction of the Interstate Commerce Commission.

The relative importance of the several modes of transportation in the United States can be only broadly estimated because uniform and complete traffic statistics for certain transport agencies are not available. The following table gives the estimated freight ton-miles and passenger-miles of all intercity carriers, public and private, except coastwise and intercoastal water traffic, for 1948 and 1949. (Data for this latter traffic are shown separately in item 3 of "Sources" of information for the table.) It should be noted that the various groups of carriers differ in regard to circuitry of routes, loading practices, and collateral services rendered; consequently, a ton-mile or passenger-mile of one group cannot be regarded as the economic equivalent or even as the physical equivalent of a ton-mile or passenger-mile of another group of carriers.

The figures indicate that the 1949 total of 870,254 million ton-miles, excluding coastwise and intercoastal water traffic and excluding nonrevenue ton-miles of the railways, was 13.4 percent below the level of 1948. The estimated increase in highway ton-miles was 6.9 percent and in airway ton-miles 5.8 percent. Railway ton-miles, which with minor qualifications are actual not estimated, showed the largest decrease, amounting to 17.4 percent, followed by estimated decreases for inland waterways of 12.1 percent and of 8.3 percent for pipelines.

Railways accounted for 61.41 percent of total intercity ton-miles in 1949, as compared with 64.39 percent in 1948. Each of the nonrail carriers increased its relative share of total ton-miles in 1949, as compared with 1948.

Total intercity passenger-miles in 1949 are estimated at 447,564 million, which is an increase of 24.2 percent above the 1948 level. However, this increase is largely due to increase of 33.2 percent in passenger-miles by private automobiles. Total passenger-miles exclusive of private automobiles decreased 11.3 percent. Airway passenger-miles increased by 13.8 percent. Other groups of carriers showed decreases as follows: inland waterways, 29.4 percent; railways, 14.7 percent; and motor carriers of passengers, 10.1 percent. It is estimated that private automobiles accounted for 85.52 percent of all intercity passenger-miles in 1949 as compared with 79.74 percent in 1948. The percentage share of each of the other groups of carriers declined in 1949, as compared with 1948.

Volume of intercity traffic, public and private, by kinds of transportation

Agency	Ton-miles ¹				Passenger-miles			
	1948 ²	1949	Percent of grand total		1948 ²	1949	Percent of grand total	
			1948	1949			1948	1949
1. Railways, steam and electric, including express and mail.....	Millions 647,267	Millions 534,448	64.39	61.41	Millions 41,894	Millions 35,718	11.62	7.93
2. Highways:								
Motor carriers of passengers.....					23,529	21,151	6.53	4.73
Private automobiles.....					287,423	382,755	79.74	85.52
Motor transportation of property.....	87,640	93,653	8.72	10.76				
Total.....	87,640	93,653	8.72	10.76	310,952	403,906	86.27	90.25
3. Inland waterways, including Great Lakes.....	150,530	132,262	14.97	15.20	1,670	1,179	.46	.26
4. Pipelines (oil).....	119,597	109,655	11.90	12.60				
5. Airways (domestic revenue service), including express and mail.....	223	236	.02	.03	5,941	6,761	1.65	1.51
Grand total.....	1,005,257	870,254	100.00	100.00	360,457	447,564	100.00	100.00

¹ For comparable figures back to 1939 see Statement No. 5046, Bureau of Transport Economics and Statistics, Interstate Commerce Commission.

² Some of the 1948 figures as given in the 63d annual report have been revised.

SOURCES:

1. Interstate Commerce Commission reports. Electric railway ton-miles and passenger-miles estimated on the basis of revenues. Does not include nonrevenue ton-miles amounting to 41,395 million in 1948 and 34,509 million in 1949.

2. Highway ton-miles estimated on the basis of Public Roads Administration traffic data for main rural roads and local rural roads. Passenger-miles in private automobiles estimated from private automobile vehicle-miles in rural travel. Motor carrier passenger-miles based upon reports to the Interstate Commerce Commission.

3. Preliminary estimates of 1949 inland waterways ton-miles based upon reports to the Interstate Commerce Commission and Great Lakes bulk cargo traffic (including oil) from annual reports of Lake Carriers' Association, 1948 data from Office of the Chief of Engineers, U. S. Army. Does not include coastwise and intercoastal ton-miles amounting to 214,355 million in 1948 and 221,448 million in 1949, as estimated by the U. S. Maritime Commission.

4. Includes refined products and crude oil, with an allowance for gathering lines.

5. Civil Aeronautics Board.

The volume of both freight and passenger traffic handled by all line-haul steam railways in 1949 was considerably below the level of 1948. Both the number of tons of revenue freight originated and the revenue ton-miles declined, the former by 18.75 percent and the latter by 17.47 percent. Passenger traffic also declined sharply. The number of passengers carried decreased 13.76 percent and passenger-miles 14.78 percent. Except for the average haul of revenue freight, which increased slightly, all of the 1949 indicators of physical performance of the railways appearing in the table below showed decreases in comparison with the performance in 1948.

For the class I roads in the first half of 1950 most of these indicators of physical performance showed declines under those of the same period in 1949. The volume of freight traffic as measured in ton-miles was off 2.58 percent and passenger-miles decreased 16.11 percent. However, the average freight train load (ton-miles of revenue freight per train-mile) and the average haul of revenue freight per road were somewhat more favorable in the later period.

Railway performance changes

Item	All steam railways		Class I line-haul railways, first half of 1950	
	1949	Percent 1949 over (+) or under (-) 1948	1950	Percent 1950 over (+) or under (-) 1949
Tons of revenue freight originated (thousands)	1,234,197	-18.75	(1)	-----
Revenue ton-miles (thousands)	529,110,641	-17.47	265,467,719	-2.58
Ton-miles of revenue freight per car-mile ²	29.48	-4.60	29.37	-2.68
Ton-miles of revenue freight per train-mile	1,044.83	-3.28	1,106.61	+2.90
Average length of haul revenue freight	³ 412.02	+1.57	⁴ 229.67	+2.27
Revenue ton-miles per mile of road	2,229,430	-17.30	1,176,109	-2.53
Number of revenue passengers (thousands)	556,741	-13.76	239,433	-15.33
Total passenger-miles (thousands)	35,133,300	-14.78	14,655,271	-16.11
Average journey per passenger (per road)	63.11	-1.17	61.21	-.91
Average revenue passenger-miles per train-mile	92	-8.91	85	-5.56
Average revenue passenger-miles per car-mile (class I)	18	-5.26	17	-5.56
Revenue passenger-miles per mile of road (class I) ⁵	157,929	-14.49	96,459	-12.83

¹ Not available.

² This average is obtained by dividing the revenue ton-miles by the total loaded car-miles, the latter figure including some cars loaded with nonrevenue freight.

³ All railways as a system.

⁴ Average haul per road.

⁵ Based on mileage operated in passenger service only.

Railway earnings in 1949 were adversely affected by sharp declines in the volume of both freight and passenger traffic as compared with that of 1948. Severe weather conditions early in the year, a decline in industrial production, the steel strike, sharply reduced coal production, and a long strike on a major railroad were contributory factors.

As shown in the following table, the operating revenues of class I line-haul railways totaled \$8,580 million in 1949 as compared with \$9,672 million in 1948 (the all-time peak), a reduction of \$1,092 million or 11.3 percent. Because of the higher level of rates, fares, and charges in effect in 1949, as the result of our authorizations in various proceedings, this decline in revenues was not as great as either the 17.5 percent decrease in ton-miles of revenue freight or the 14.8 percent drop in revenue passenger-miles. However, as indicated by the figures in the table below the decline in revenues of \$1,092 million between 1948 and 1949 was only partially offset by a decrease of \$776 million in operating expenses and taxes combined. As a result the net railway operating income (what is left from operating revenues after deducting operating expenses, taxes, and net rents) declined from \$1,002 million in 1948 to \$686 million in 1949, or 31.5 percent. Net income after all charges amounted to \$438 million in 1949 as compared with \$698 million in 1948, or a drop of 37.2 percent. This 1949 net income was much larger than that of 1946, but somewhat below the level of 1947.

For the 12-month period ended June 30, 1950, operating revenues of class I roads aggregated \$8,435 million and operating expenses and taxes combined amounted to \$7,536 million. Both figures were con-

siderably above the amounts reported for the calendar year 1946, but were below the levels of 1947, 1948, and 1949.

The net railway operating income for the year ended June 30, 1950, totaled \$722 million, a figure which exceeded that of either the calendar year 1949 or 1946, though below that of the two intervening calendar years. Net income after all charges in the period ended June 30, 1950, was \$475 million, exceeding the amounts reported for the calendar years 1946 and 1949, though below the level of both 1947 and 1948. In the 8 months ended with August 1950 the net income amounted to about \$366 million (not shown in the table) as compared with \$242 million in the same period of 1949. This improvement was largely the result of a substantial increase in rail freight traffic during June, July, and August, 1950, due in part to conditions caused by military operations in Korea. Carloadings of revenue freight in September and October 1950, were at much higher levels than in the same months of 1949. Therefore, the indications are that railway earnings for the year 1950 will be substantially above those of 1949.

Class I line-haul railways

Item	12 months ended with June 1950	Year ending Dec. 31—			
		1949	1948	1947	1946
	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	<i>Millions</i>
Railway operating revenues.....	\$8,435	\$8,580	\$9,672	\$8,085	\$7,628
Railway operating expenses.....	\$6,691	\$6,892	\$7,472	\$6,797	\$6,357
Operating ratio.....	79.32	80.32	77.26	78.27	83.35
Railway tax accruals.....	\$845	\$833	\$1,029	\$936	\$498
Net railway operating income.....	\$722	\$686	\$1,002	\$781	\$620
Fixed interest on funded debt.....	\$292	\$290	\$284	\$299	\$353
Net income.....	\$475	\$438	\$698	\$479	\$287
Federal income and excess-profits taxes ²	\$276	\$262	\$448	\$298	\$116
Net railway operating income before provision for Federal income and excess-profits taxes.....	\$998	\$948	\$1,450	\$1,079	\$604
Net income before provision for Federal income and excess-profits taxes.....	\$751	\$700	\$1,146	\$777	\$271

¹ Partly estimated.

² Included in railway tax accruals shown above.

³ Credit.

The net working capital of class I line-haul railways as of July 31, 1950, was \$1,463 million as compared with \$1,306 million on the same date in 1949, or an increase of 12 percent. Excluding materials and supplies the corresponding figures are \$757 million and \$474 million, an increase of 59.7 percent. However, as indicated by the table below, the carriers' net working capital position on July 31, 1950, was not as favorable as on the same date in either 1947 or 1948. Cash and temporary cash investments, which totaled \$1,761 million on July 31, 1950, were below the level of 1947 and 1948, though they exceeded the 1949 total by \$224 million. The material and supplies account of \$706

million in July 1950 was smaller than that reported in each of the three preceding years. The total 1950 current liabilities of \$1,843 million was only \$7 million below that of July 1949, but \$150 million below the 1948 total. The ratio of total current assets (both including and excluding material and supplies) to current liabilities as of July 31 showed some improvement in 1950 over 1949, but remained at about the same level as in 1948. A similar statement applies also to the ratio of cash and temporary cash investments to current liabilities. None of these ratios, however, was as favorable in 1950 as in 1947.

Class I steam railways as of July 31

Item	1947	1948		1949		1950	
	Amount	Amount	Percent of change from 1947	Amount	Percent of change from 1947	Amount	Percent of change from 1947
	<i>Millions</i>	<i>Millions</i>		<i>Millions</i>	<i>Millions</i>	<i>Millions</i>	
Total current assets.....	\$3, 471	\$3, 604	+3.8	\$3, 156	-9.1	\$3, 306	-4.8
Cash and temporary cash investments..	\$1, 918	\$1, 880	-2.0	\$1, 537	-19.9	\$1, 761	-8.2
Material and supplies.....	\$740	\$819	+10.7	\$832	+12.4	\$706	-4.6
Total current liabilities.....	\$1, 759	\$1, 993	+13.3	\$1, 850	+5.2	\$1, 843	+4.8
Net working capital:							
Including material and supplies....	\$1, 712	\$1, 611	-5.9	\$1, 306	-23.7	\$1, 463	-14.5
Excluding material and supplies....	\$972	\$792	-18.5	\$474	-51.2	\$757	-22.1
<i>Ratios</i>							
Current assets to current liabilities:							
Including material and supplies....	1.97	1.81	-----	1.71	-----	1.79	-----
Excluding material and supplies....	1.55	1.40	-----	1.26	-----	1.41	-----
Cash and temporary cash investments to current liabilities.....	1.09	.94	-----	.83	-----	.96	-----

As shown in the following condensed income account, class I line-haul railways reported \$8,696 million of revenues and other income for the 12-month period ended June 30, 1950, out of which they paid the sum of \$3,566 million for operating expenses other than wages and salaries and for operating rents and taxes (including payroll taxes). This left \$5,130 million for employees and investors, of which the shares of these two groups were \$4,149 million and \$981 million, or 80.9 percent and 19.1 percent, respectively. The employees' share of 80.9 percent in the 1950 fiscal year was not proportionately as large as in the calendar years 1946 and 1949, but it exceeded that of the calendar years 1947 and 1948. Conversely the investors' share of 19.1 percent in the 1950 fiscal year exceeded the percentages for the calendar years 1946 and 1949, but it fell below levels of 1947 and 1948. If payroll taxes, which are included with other taxes in the table, were treated as an addition to wages the amounts available for employees and investors combined would be somewhat larger and the percentages for investors would be proportionately lower.

Condensed income account—Class I line-haul railways¹

Item	12 months ended June 30, 1950	Calendar year			
		1949	1948	1947	1946
Revenues and other income.....	<i>Millions</i> \$8,696	<i>Millions</i> \$8,835	<i>Millions</i> \$9,907	<i>Millions</i> \$8,914	<i>Millions</i> \$7,837
Cost of materials, depreciation, and other expenses except wages and salaries.....	\$2,719	\$2,869	\$3,103	\$2,828	\$2,634
Taxes, including income, profits, and payroll.....	\$847	\$833	\$1,029	\$937	\$498
Total deductions.....	\$3,566	\$3,702	\$4,132	\$3,765	\$3,032
Remainder for employees and investors.....	\$5,130	\$5,133	\$5,775	\$5,149	\$4,805
Wages and salaries ²	\$4,149	\$4,192	\$4,538	\$4,139	\$3,976
Investors' share:					
Rent for leased roads ³	\$119	\$121	\$131	\$127	\$125
Interest on obligations.....	\$331	\$329	\$324	\$335	\$365
Other deductions ⁴	\$58	\$53	\$84	\$69	\$52
For dividends and surplus.....	\$473	\$438	\$698	\$479	\$287
Percent wages and salaries.....	80.9	81.7	78.6	80.4	82.8
Percent investors' share.....	19.1	18.3	21.4	19.6	17.2

¹ This table did not appear in our 1949 report because data covering large retroactive wage payments applicable to the year 1948 were not then available.

² Chargeable to operating expenses and not including payroll taxes as follows, in millions: 12 months ended June 30, 1950, \$249; 1949, \$253; 1948, \$265; 1947, \$353; 1946, \$254.

³ Partly estimated.

⁴ Represents largely intercompany payments among railroads, frequently in the form of interest and dividends.

⁵ Miscellaneous deductions from income applicable to "other income" shown, contingent charges (capital and other funds); and amortization of discount on funded debt.

Selected freight train and passenger train operating averages of class I railways, based on data for the first 7 months of 1950 and 1949 and the calendar years 1949, 1944, and 1929, are compared in the table below. Despite the fact that freight traffic as measured in revenue ton-miles in the first 7 months of 1950 was only slightly higher than in the same period in 1949, significant indicators of operating efficiency in freight service, such as cars per train, net and gross tons per train, gross ton-miles per train hour and train speed, all averaged higher in the 1950 period than in any other period covered by the table, including 1944, the peak traffic year of World War II. Two important indicators of equipment utilization, "car miles per freight car day" and "net ton-miles per freight car day," showed improvement in the 1950 period over the 1929 and 1949 averages, but, as would be expected, the performance was not equal to that of the war year 1944. Net ton-miles per loaded car-mile (the average load per car) for the 1950 period showed considerable improvement over the 1929 average but it was not quite as favorable as in either 1944 or 1949. Freight traffic density as measured in "net ton-miles per mile of road per day" for the first 7 months of 1950 was slightly below that of the same period in 1949, but it exceeded the density of the full calendar year 1949 and was considerably above the level of 1929 (the peak traffic year up to that time).

In passenger service the average speed of trains (passenger train-miles per train-hour) in the 1950 period was higher than that recorded in 1944 and 1949. Because of a sharp decline in passenger traffic,

however, the average number of passengers per car and per train were smaller than in 1944 or 1949, but they were far above those of 1929.

The condition of both freight and passenger service equipment in the first 7 months of 1950, as indicated by "Percent unserviceable" was decidedly less favorable than in any of the other periods covered by the table.

Operating averages, class I steam railways

Item	First 7 months		Calendar year		
	1950	1949	1949	1944	1929
Total ton-miles (billions)-----	314.5	314.3	526.4	737.2	447.3
Total passenger-miles (billions)-----	17.7	20.9	35.1	95.5	31.1
<i>Freight service</i>					
Net ton-miles per mile of road per day-----	6,985	7,029	6,814	9,441	5,627
Car-miles per freight-car day-----	40.6	40.1	39.3	60.6	32.3
Freight-car miles per train-mile:					
Loaded-----	37.9	35.7	36.2	34.9	30.7
Empty-----	20.4	20.8	20.6	18.2	18.2
Total-----	58.3	56.5	56.8	53.1	48.9
Gross ton-miles per train-mile ¹ -----	2,625	2,532	2,534	2,409	1,865
Net ton-miles per train-mile-----	1,183	1,146	1,138	1,138	804
Net ton-miles per freight-car day-----	824	813	788	1,086	547
Gross ton-miles of locomotives and tenders per locomotive-mile-----	299	294	295	267	220
Net ton-miles per loaded car-mile-----	31.3	32.1	31.4	32.7	26.9
Percent loaded of freight car-miles-----	65.0	63.2	63.7	65.8	62.8
Train-miles per train-hour-----	17.0	16.9	16.9	15.7	13.2
Gross ton-miles per train-hour ¹ -----	44,084	42,198	42,343	37,298	24,553
Percent unserviceable:					
Freight locomotives ² -----	20.5	16.5	17.7	12.4	16.4
Freight cars on line ³ -----	6.9	5.4	6.0	2.5	6.0
<i>Passenger service</i>					
Revenue passenger-miles:					
Per train-mile-----	86.7	92.3	92.0	199.8	55.0
Per car-mile-----	16.9	18.1	18.0	32.2	12.5
Passenger train-miles per train-hour-----	37.4	37.0	37.0	34.8	(3)
Percent unserviceable:					
Passenger locomotives-----	18.5	15.4	16.3	12.8	16.2
Passenger cars-----	7.7	7.0	6.9	5.0	(3)

¹ Excludes locomotives and tenders.

² Average during year.

³ Not available.

THE DEFENSE PRODUCTION ACT OF 1950

By Executive Order 10161, dated September 9, 1950 (15 F. R. 6105), the President delegated certain functions conferred upon him by title I, II, III, and VII of the Defense Production Act of 1950 (Public Law 774, 81st Congress) "to that commissioner of the Interstate Commerce Commission who is responsible for the supervision of the Bureau of Service of the Commission [Commissioner James K. Knudson], with respect to domestic transportation, storage, and port facilities, or the use thereof, but excluding air transport, coastwise, intercoastal, and overseas shipping." Such functions include (a) authority (1) to require that performance under contracts or orders (other than contracts of employment) deemed necessary or appro-

priate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person found to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as may be deemed necessary or appropriate to promote the national defense; (b) authority to requisition property for the defense of the United States; (c) authority to certify to the Reconstruction Finance Corporation as to the necessity for loans, purchases, or commitments, as the case may be, to private business enterprises for the expansion of capacity; and (d) authority to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making by such persons of voluntary agreements and programs as may be approved to further the objectives of the Defense Production Act.

The term "domestic transportation, storage, and port facilities" as used in Executive Order 10161 is defined as including "locomotives, cars, motor vehicles, watercraft used on inland waterways, in harbors, and on the Great Lakes, and other vehicles, vessels, and all instrumentalities of shipment or carriage, irrespective of ownership, and all services in or in connection with the carriage of persons or property in intrastate, interstate, or foreign commerce within the United States, except movement of petroleum and gas by pipeline; and warehouses, piers, docks, wharves, loading and unloading equipment, and all other structures and facilities used in connection with the transshipment of persons and property between domestic carriers and carriers engaged in coastwise, intercoastal, and overseas transportation."

As authorized by Executive Order 10161, the Interstate Commerce Commission delegate above referred to on October 4, 1950, created an agency under his jurisdiction to administer the functions delegated to him in the order known as the Defense Transport Administration, of which the delegate is ex-officio the Administrator (15 F. R. 6728). The Administration consists of the following organization: (1) Office of the Administrator; (2) Office of the Deputy Administrator; (3) Office of the Executive Assistant; (4) Office of the General Counsel; (5) Equipment and Materials Division; (6) Manpower Division; (7) Domestic Transport, Storage, and Port Specialists; (8) Industry Consultants; (9) Information Officer; and (10) Administrative Officer.

On request of the Administration's Equipment and Materials Division, the National Production Authority, established under

Executive Order 10161, by its order of October 26, 1950, provided for the allocation of steel in sufficient quantities to permit the manufacture of at least 10,000 domestic freight cars per month in each of the first 3 months of 1951. Through a continuation of this program on a larger scale, it is hoped that 227,400 new freight cars may be available by June 30, 1952.

TRAIN SERVICE, CAR SERVICE, AND CAR SUPPLY

Train service was seriously curtailed as a result of strikes in the bituminous coal industry. These strikes began on September 19, 1949, and full scale coal-mining operations were not resumed until March 6, 1950.

As a result of the interruption in the production of coal, four service orders were issued by the Commission to conserve the rapidly diminishing supply on the railroads, and one service order was issued to provide cars for the loading of railroad fuel.

Service Order No. 843, issued October 21, 1949, effective October 25, 1949, reduced the passenger mileage of coal-burning locomotives 25 percent on any railroad having 25 days' or less supply of coal. This order was vacated effective 11:59 p. m., November 20, 1949, during the period in which the miners were working.

Service Order No. 844, issued November 23, 1949, effective December 24, 1949, provided for the placement of cars at mines for loading of railroad locomotive fuel for railroads having 9 days' or less supply on hand before the placement of cars to fill commercial orders. This order was vacated March 12, 1950.

Service Order No. 845, issued January 4, 1950, effective January 8, 1950, reduced by 33½ percent the December 1, 1949, passenger mileage operated by coal-burning locomotives on railroads having 25 days' or less supply of fuel on hand. The order was vacated February 10, 1950, when Service Order No. 846 became effective.

Service Order No. 846, issued February 8, 1950, effective February 10, 1950, further reduced passenger mileage of coal-burning locomotives to 50 percent of mileage operated on December 1, 1949. This order was vacated March 12, 1950.

Service Order No. 847, issued on February 8, 1950, effective February 10, 1950, reduced by 25 percent the freight mileage of coal-burning locomotives operated on that date. This order was vacated effective March 8, 1950.

The following reductions in both passenger and freight service resulted from the above-mentioned orders:

Region	Passenger-train service		Freight service		
	A	B	C-1	C-2	D
	Scheduled passenger trains or sections canceled or suspended Dec. 1, 1949, to Feb. 10, 1950	Additional passenger trains or sections withdrawn effective Feb. 11, 1950, to comply with Service Order No. 846	Extent service curtailed measured by approximate trains suspended or canceled daily, account drop in traffic Dec. 1, 1949, to Feb. 10, 1950	Service curtailed by trains canceled or suspended daily to conserve coal Dec. 1, 1949, to Feb. 10, 1950	Additional freight trains suspended or canceled daily effective Feb. 11 to comply with I. C. C. Service Order No. 847
Eastern.....	250	170	204	35	229
Allegheny.....	327	166	325	62	286
Pocahontas.....	36	4	242	0	77
Southern.....	79	74	80	13	184
Northwest.....	103	92	36	19	98
Central west.....	39	24	165	18	63
Southwest.....	0	None	60	0	27
Total west.....	141	116	261	37	188
Grand total.....	833	530	1,112	147	964

NOTE.—Great bulk of the reduction under item A was made in connection with Service Order No. 845 effective Jan. 9, 1950.

The turn-around time on serviceable cars reached the highest point in 10 years in 1949, with an annual average of 17.0 days. This was due principally to the strikes listed above. This figure, which reached 19.98 days for the month of February 1950, had been reduced to 13.84 days for the month of August 1950. The situation would have been considerably worse had the use of Diesel locomotives not been so widespread.

The boxcar shortage mentioned in our last annual report was alleviated by the middle of November 1949. A surplus which reached over 19,000 cars in the first week of January 1950 followed and continued in large proportions until March.

Since the week ended May 20 a drastic and widespread shortage of cars of all classes has been experienced. A maximum daily shortage of 39,477 cars, including 21,863 boxcars, was reached in the week ended August 26. The peak boxcar shortage of 22,225 daily was reached in the week ended August 12. Several factors contributed to the situation; the movement of old grain from storage by the Commodity Credit Corporation as the new crop was being harvested, the increase in the use of combines, the sharp increase in the number of bad-order cars, from an inadequate car ownership, and the military needs.

In 1949 the trend in bad-order cars was upward. On⁷ December 31, 1949, the number of cars awaiting repairs totaled 134,460, or 7.68

percent of ownership. On January 31, 1950, it had increased to 140,929, or 8.08 percent. As the result of this increase, division 3 issued Service Order No. 849 on April 14, 1950 (Survey of Repairs to Bad Order Cars on Class I Railroads), directing our Bureau of Service to ascertain through the Car Service Division of the Association of American Railroads the number of unserviceable box, gondola, hopper, and flat cars held for repairs on each class I railroad having in excess of 5 percent of its cars in unserviceable condition on April 1, 1950, April 15, and each semimonthly period thereafter. The results of the investigation were taken up with the heads of the roads involved and with President Faricy of the Association of American Railroads. On September 1 the number had been reduced to 108,346, or 6.3 percent of ownership.

Military needs must be given first consideration. However, the withdrawal of cars for use by the armed forces from an already inadequate supply has made a sizable reduction in the number which would have been available to industry.

Complaints have been received from almost every State by letter, telegram, telephone, and personal calls, many of them having been made by members of Congress.

With the view of securing more efficient use of freight cars and thus alleviating the freight-car shortage, the following orders were issued, effective September 20, 1950:

Service Order No. 865 provides penalty demurrage rates on cars held beyond free time. It also requires two credits to offset one debit under the average agreement plan.

Service Order No. 866 requires the railroads to improve their handling of cars by promptly placing and pulling cars at industries and promptly forwarding cars in road-haul movement. The order also appoints the chairman of the car service division of the Association of American Railroads as agent of the Commission to issue orders with respect to the location, relocation, and distribution of freight cars throughout the United States. It further requires the railroads to comply with special car orders of the car service division of the Association of American Railroads that were outstanding on September 20, 1950.

Service Order No. 867 restricts the handling of trap and ferry cars with certain exceptions provided for. The order exempts such cars containing 10 tons or more.

Service Order No. 868, originally effective September 20, was indefinitely postponed. This order is similar to Service Order No. 68 which was in effect from early in 1942 until the first part of 1949. It would suspend the operation of consolidated classification rule 24 in its entirety and part of rule 34. Those are the so-called follow-lot

and two-for-one rules. The order exempts shipments of livestock, shipments on flatcars, and shipments of any commodity loaded by carriers not subject to direction or control by the shipper with respect to either actual loading or selection of equipment used.

These orders should produce the desired results. If they do not, more drastic steps will be taken. Orders requiring heavier loading similar to O. D. T. Orders Nos. 18A and 1, are being considered.

Car loadings for the week ended September 30 amounted to 879,985 cars, which were the highest weekly loadings since October 1948. A daily car shortage of 34,072 cars was reported. This was a reduction of 5,000 cars from the week ended August 26.

RAILROAD REORGANIZATIONS

No additional petitions for reorganization of railroads under section 77 of the Bankruptcy Act were filed during the period covered in this report.

At the end of the period covered by our last report, proceedings for reorganization of the Huntingdon & Broad Top Mountain Railroad & Coal Co., Lackawanna & Wyoming Valley Railroad Co., the Long Island Rail Road Co., New Jersey & New York Railroad Co., New York, Ontario & Western Railway Co., and Wyoming Railway Co. were pending but no plans had been filed. The status of these proceedings remains unchanged.

At the end of the same period, as stated in our 1949 report, the court had found, by order entered August 20, 1949, that further proceedings for reorganization of the Central Railroad Co. of New Jersey under section 77 of the Bankruptcy Act were unnecessary because of approval by us of modifications of the capital structure of the carrier under the provisions of section 20b of the Interstate Commerce Act, except for the issuance of such orders in the bankruptcy proceeding as were necessary to consummate the modifications and to terminate the bankruptcy proceedings. The court had ordered restoration to the carrier of its property October 1, 1949. The modifications have since then been fully put into effect.

The plan for reorganization of the Duluth, South Shore & Atlantic Railway Co., which, at the time of our prior report had been confirmed by the court but not consummated, has since been consummated and the properties transferred to the reorganized company as of 12:01 a. m. central standard time, November 1, 1949.

In our prior report we stated that the plan for reorganization of the Rutland Railroad Co. had been confirmed by the court but its consummation had not been completed. During the period covered by this report we approved the acquisition of the debtor's properties by the new company and issue of the new securities, and the plan

now is being consummated. Since our last report, the plan previously approved by us for the Meridian & Bigbee River Railway Co. has been approved by the court, submitted to creditors for a vote on acceptance or rejection, and confirmed by the court. A reorganization manager has been appointed, and preparations are being made for consummation of the plan.

In our prior report we stated that a plan for reorganization of the New York, Susquehanna & Western Railroad Co. had been approved by us but that the matter of approval of the plan was still pending in the district court. That reorganization had been delayed because of the necessity of awaiting termination of litigation instituted by the trustee to permit disaffirmance of New York Central operating rights in and near the debtor's Edgewater, N. J., terminal and the subsequent issue by us of a report fixing just compensation to the debtor for the trackage-right operation. The issue of an order thereon or of a certificate permitting abandonment was withheld for 60 days to permit the parties to enter into an agreement. Since our prior report, an agreement has been reached and put into effect. After hearing before the court on approval of the plan, the court entered an order referring the plan back to us for further consideration in view of the increased compensation to be paid the debtor by the New York Central and the long period which had passed since our approval of the plan. The proceeding before us was thereupon reopened and further hearing held on October 24, 1950.

Since our last report, the further hearings held by us on a plan for reorganization of the Wisconsin Central Railway Co. have been concluded, briefs filed, and a supplemental report on a plan is now being prepared.

Since the end of the period covered by our last report, the plan approved by us for the Georgia, Florida & Alabama Railroad Co. has been approved by the court, the plan submitted to creditors for acceptance or rejection, and the result of the voting (acceptance by 93.32 percent of one of the two classes entitled to vote on the plan and rejection by 77.78 percent of the other class) was certified to the court, but the court has not yet entered an order confirming or refusing to confirm the plan. There is pending before us an application under section 5 of the Interstate Commerce Act for acquisition of the property of this company by the Seaboard Air Line Railroad Co. which, if approved, would eliminate the need for consummation of the reorganization.

We issued a fifth supplemental report and order in the Missouri Pacific proceeding on petitions for further modification of the modified plan approved by our report of August 2, 1949, and certified the plan, as therein finally approved, to the court, together with the supporting

record of the proceeding on December 29, 1949. The court on July 29, 1950, issued its opinion approving the plan, and on October 3, 1950, its order of approval. The plan will be submitted December 1, 1950, for votes on acceptance or rejection to all creditors and stockholders of the Missouri Pacific system found in the plan to have an interest in the reorganization.

In the Florida East Coast Railway Co. reorganization proceeding, appeals from an order of the district court of January 22, 1949, disapproving the last plan approved by us on March 25, 1948, were pending at the time of our prior report. The court of appeals subsequently on January 17, 1950, affirmed the district court's order of disapproval and directed the district court to refer the proceeding back to us for further consideration. An application for a writ of certiorari was denied by the United States Supreme Court on April 3, 1950. We reopened the proceeding by order of May 18, 1950, and held hearings on modification of the plan and on other plans presented for our consideration on July 11-14 and August 8-17, 1950. Briefs have been filed by counsel for the parties and oral argument assigned for December 14, 1950. Upon conclusion of the oral argument, a report dealing with modifications of the plan will be prepared.

A plan for the reorganization of the Boston Terminal Co. was approved by division 4 June 19, 1950, and there is now pending before us a petition for modification of the plan. Since the plan approved provides for the reorganization of the Boston Terminal, the abandonment petition filed by the mortgage trustee in order to permit sale of the property at foreclosure has been dismissed.

In our last report we stated that the reorganization of the Boston & Providence Railroad Corp. was being deferred at the request of the trustee. Since that time a plan has been filed by the trustee and also one by a stockholders' protective committee. These are awaiting hearing with an application by the New York, New Haven & Hartford Railroad Co. on a collateral matter under section 5 (2) of the Interstate Commerce Act. A motion was filed by the New York, New Haven & Hartford Railroad Co. to dismiss two other applications filed by the trustee of the Boston & Providence (1) for permission under section 1 (18)-(20) of the Interstate Commerce Act for the abandonment of operation of the lines of the Boston & Providence in the absence of a determination and fixing by us of just and reasonable terms for operation of the lines by the New Haven, and (2) for the fixing by us under section 5 (2) of the Interstate Commerce Act of such just and reasonable terms. We overruled the motion for dismissal of the abandonment application but sustained the motion for dismissal of the section 5 (2) application. Upon petition filed for reconsideration of these orders, we affirmed them. Progress in the

reorganization proceeding has been delayed at the request of the parties to permit negotiations.

We have disposed of a large number of petitions and motions pertaining to features of reorganization other than the formulation of plans. These have included authorizations, a denial of authorization, and modifications of previous authorizations of protective committees, ratification of the appointment of trustees, the fixing of maximum limits of compensation for trustees, trustees' counsel, reorganization managers and their counsel, and other parties, reimbursement of expenses incurred in the various proceedings, and the acquisition of property and the issue of securities required to consummate plans of reorganization. Public hearings not relating to the formulation of plans have been held on 12 occasions in 12 different proceedings. We have issued 34 reports and orders in collateral matters, and the proceedings have required us to enter approximately 30 orders or certificates of general administrative character.

Since the passage of section 77 of the Bankruptcy Act, on March 3, 1933, 59 proceedings have been instituted for reorganization under the section. Of these proceedings, reorganization has been completed in 30 cases and the proceedings have been discontinued in 15 cases.

Appendix E of this report contains a list of all reorganization proceedings pending before us during the period of the report and statistics of steam railroads in reorganization at the end of stated 5-year periods since 1895.

VOLUNTARY REORGANIZATIONS

At the end of the period covered by our last report there were pending before us for our approval and authorization under section 20b of the Interstate Commerce Act, by six carriers proposals to alter the provisions of outstanding securities, the Bangor and Aroostook Railroad Co. and Wichita Falls & Southern Railroad Co., as to neither of which proceedings had hearings been held; the Montana, Wyoming & Southern Railroad Co., as to which the proposals had been submitted for acceptance or rejection to holders of the affected security but the result not yet reported to us and the Missouri-Kansas-Texas Railroad Co., Boston & Maine Railroad, and Maine Central Railroad Co.

During the period covered by this report two new applications have been filed, one by the Maryland & Pennsylvania Railroad Co. and the other by the Western Maryland Railway Co. A hearing has been held in the former proceeding but we have not issued a report. Assignment of the Western Maryland Railway Co. application for hearing has been deferred to enable the applicant to comply with a request which we have made for further information. The status of

the Wichita Falls & Southern Railroad Co. proceeding has remained unchanged during this period since our last report to permit the applicant to make a further study of the carrier's financial situation.

A hearing was held in the Bangor and Aroostook Railroad Co. proceeding, a report issued making the findings necessary for submission, the proposal submitted for assents by the security holders, and our final report and order approved and authorized the proposed alteration or modification of securities and fixed the date upon which the plan should be effective.

In the Montana, Wyoming & Southern Railroad Co. proceeding the applicant's proposed modification or alteration was accepted by holders of the requisite percentage of the affected security and our final report and order of approval and authorization were issued January 12, 1950.

The Boston & Maine Railroad had outstanding when its proposal for modification of securities was filed an issue of 7-percent cumulative-prior-preference stock, an issue of cumulative-first-preferred stock of five different series with varying dividend rates from 4½ to 10 percent, an issue of noncumulative preferred stock and an issue of common stock. Large accumulations of dividends on all the cumulative-preferred-stock issues existed at the time of the application and further accumulations were in prospect. The applicant proposed to simplify its capital-stock structure by reducing the number of classes of stock to two issues, one a new 5-percent preferred and the other new common stock, for which the holders of all classes of the old stock, both preferred and common, would exchange their shares, including their rights to payment of accumulated dividends. We issued a report in this proceeding making the requisite findings and directing submission of the proposals to the stockholders for their acceptance or rejection. Upon petitions for reconsideration we affirmed the decision. The proposals have been submitted to the stockholders for their acceptance or rejection, but the results of the voting have not yet been certified to us. Further petitions for reconsideration of approval of submission material were denied by our order of August 15, 1950.

Since our last annual report an examiner's proposed report was issued in the proceedings on the application of the Missouri-Kansas-Texas Railroad Co., exceptions filed and oral argument held. We issued reports on this application and on the application of the Maine Central Railroad Co. in which we found that the applicants had not shown that the proposed alterations or modifications were within the purposes or met the requirements of section 20b of the Interstate Commerce Act, or that the issues of new securities contemplated by the applications met the requirements of section 20a.

The Maine Central Railroad Co. had outstanding an issue of fully cumulative 5-percent preferred stock upon which the unpaid dividends amounted, as of December 1, 1948, to \$85 per share, the total amount of the accumulated dividends being \$2,550,000. The applicant proposed to fund this arrearage by changing the par value of the stock from \$100 to \$185 per share and to pay cumulative annual dividends of 4 percent upon such altered shares. The altered shares were to be subject to call for redemption and, except when the stock should be in default on dividends, the holders were to have no voting rights. We found that the applicant had not made sufficient showing of the probable amounts of its future net income which would be available for payment of current and accumulated dividends to permit us to form a judgment as to whether the proposal would give the preferred stockholders the fair economical equivalent of their present contract, and we pointed out that the holders of the common stock would make no sacrifice whatever but would be placed in a much more favorable position as to participation in future earnings. The applicant did not contend that the proposed modification was necessitated by any threat of insolvency or that it would assure or assist in assuring the applicant's continued sound financial condition or avoid prospective financial difficulties, all of which were stated objectives of section 20b.

The Missouri-Kansas-Texas Railroad Co. proposed to discharge a large liability it had incurred for accumulated unpaid interest on an issue of adjustment-mortgage bonds by delivering to the bondholders new secured debentures in a face amount equal to the accumulated interest, the new debentures to mature on the same date as the adjustment-mortgage bonds. Interest on the new debentures was to be payable at the rate of 1 percent per annum, payable only if available net income in any year should be sufficient therefor, and unpaid interest was to accumulate only to a 4-percent maximum. They were to be subject to redemption at their face amount plus accumulated unpaid interest. We stated in our report:

In our opinion, the proposed plan would result in some of the bondholders selling and the applicant purchasing their rights to the accumulations at less than the full amount thereof regardless of earnings. It would practically preclude payment of these obligations in full, prior to maturity of the adjustment-mortgage bonds, although on the basis of the applicant's estimates its prospective earnings would, as we have shown, cover such payments by a large margin in the next 4 years. This, in our opinion, would not be in the best interest of the bondholders nor would it promote the public interest in increased stability of railroad securities with resulting greater confidence therein of investors.

We therefore denied both applications.

During the course of the proceedings under section 20b the applicants and other parties to the proceedings submitted for our approval

pursuant to its provisions a considerable volume of letters, financial data, and other documents in connection with the solicitation of the assents of security holders to the proposed alterations or modifications, and also the documents which the applicants proposed to use in effectuating the proposed alterations or modifications.

In our last report we stated that our experience in proceedings under section 20b leads us to believe that the denial under the provisions of paragraph (3) of the section of the rights of stockholders to register their assent to proposals thereunder, if we determine such assent to be within the control of the carrier applying for authority for the modification, may result in the failure of meritorious plans through the refusal of a small minority of stockholders to assent or to register any vote. For the reasons set forth in that report, we renew our recommendation that consideration be given to amending section 20b so that, in connection with determination of the percentage of outstanding securities assenting to proposed modifications or alterations, securities of any class entitled to vote for the election of directors of the carrier whether or not controlled by or controlling the carrier, shall be considered as outstanding, but that if we determine that 25 percent of the securities of such class are so controlled by or control the carrier, we may prescribe such percentage in excess of 75 percent as requisite for approval of the proposals as we may determine to be just and reasonable and in the public interest.

ACQUISITION OF EQUIPMENT BY LEASE AND CONDITIONAL SALES

During the current year a number of carriers by railroad have arranged to provide in part for their equipment needs under a plan whereby the carriers may obtain equipment under long-term leases without down payment, and with no provision for acquisition of the equipment, either at the expiration of the lease or at any other time. Under this plan a carrier acquaints an equipment builder and an insurance company with its needs, and, after agreement has been reached as to the price of the equipment and terms of the lease, the equipment is constructed by the builder and is sold to the insurance company. The latter pays 80 percent of the cost upon delivery and the remainder in installments during the following 5 years, and leases the equipment to the carrier.

Provisions of the individual leases vary substantially. All provide for a minimum term of 15 years with payments of rental at a daily rate for the first 3 years, the rate thereafter being successively lower for each of the following 3-year periods during the initial term of the lease. The carrier has the option of returning the equipment to the lessor at the end of 15 years or of extending the term of the lease for an additional 10 years at a very low rental, e. g., 20 cents a day for a car, subject to cancellation by the carrier at any time after the

15-year period upon 30 days' notice. The carrier maintains the equipment. It also pays taxes and assessments levied on the equipment. In the event of destruction of a unit of the equipment, the remaining lease payments (for the 15-year period), plus salvage, become due and payable. If a unit of equipment is destroyed after the 15-year period, the carrier is liable for only the salvage. If prior to the expiration of the initial term of the lease there is a default by the carrier, the lessor may proceed by court action to enforce performance or recover damages, or upon written notice to the carrier, may terminate the lease and take possession of the equipment and also recover amounts due under the lease. Upon termination of the lease or upon expiration of the term of the lease, provided the carrier shall not have exercised its option to extend the term, the carrier shall surrender possession of the equipment to the lessor in good order and repair, ordinary wear and tear excepted. Equipment returned during or at the end of the extended term is to be in such operating condition and repair as to meet interchange requirements under the then current Rules of Interchange of the Association of American Railroads.

Pursuant to this plan the Atlantic Coast Line Railroad Co. has acquired 600 covered hopper cars and 700 pulpwood cars; the Delaware & Hudson Railroad Corp., 500 boxcars; the New York Central Railroad Co., 1,500 boxcars; the Green Bay & Western Railroad Co., 200 boxcars; the Bangor & Aroostock Railroad Co., 300 combination paper and insulated heater cars; the Missouri-Kansas-Texas Railroad Co., 100 covered hopper cars; and the Pennsylvania Railroad Co. 5,000 gondola cars and 5,000 boxcars. The total number of cars leased by the carriers named is 13,900, the cost of which has not yet been reported to us, but from the information before us has been estimated at approximately \$82,000,000. This equipment was built by various equipment manufacturing companies for the Equitable Life Assurance Society of the United States, the owner and lessor. We have been informed unofficially that the Baltimore & Ohio Railroad Co. has completed a lease agreement with the Equitable for 90 Diesel electric locomotive units consisting of 86 freight and 4 passenger units. This equipment is to be built by the electro-motive division of General Motors Corp. and will cost approximately \$15,000,000. There may be other leases which have not yet been brought to our attention.

The principal advantages of the plan expected by the carriers are the means thus afforded them to obtain much-needed equipment without making the substantial down payments usually required in connection with equipment-trust agreements and leases or conditional sales agreements, and the resultant conservation of cash needed for other purposes. The plan may increase, or at least accelerate, the building and delivery of new equipment, especially cars, now much

needed to meet transportation requirements. Other expected advantages are substantial savings in per diem and in taxes. Whether the last advantage will be realized is questionable. Under the plan there is no competitive bidding in the leasing of the equipment. Rentals paid during the 15-year period will return to the insurance company the full cost of the equipment, less salvage, plus interest on the unamortized cost at rates which, we are informed, are slightly above rates prevailing in the current financing of equipment purchases under equipment-trust agreements. At the end of the period the carrier will have no equity in the equipment. Under an equipment-trust agreement and lease providing for payment over a 15-year period, the carrier would pay the full cost of the equipment plus interest on the unpaid installments of the equipment-trust certificates, and at the end of the period would own the depreciated equipment. Our preliminary investigation indicates that, should the carrier exercise its option to lease the equipment for an additional period of 10 years, the cash outlay under the plan would exceed that under the usual equipment-trust agreement. The carrier would have no equity in the equipment at the end of the extended period. In addition to presenting questions as to its merits for financing a carrier's equipment requirements, the plan poses some serious accounting problems which are now under consideration.

Under the provisions of paragraph (6) of section 20 of the Interstate Commerce Act, we have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents pertaining or relating to cars furnished by persons, a term which would include insurance companies, to carriers, by railroad. We further have authority in our discretion to prescribe the forms of any and all accounts, records, and memoranda which we are authorized to inspect and copy, and to require such persons, including insurance companies, as owners of the cars, to submit such reports and answers to such questions, relative to such cars, as we may deem necessary. We are of the opinion that this paragraph should be amended to cover locomotives and other equipment. We shall continue our studies of the equipment-leasing plan with a view to making such further recommendations, if any, as our findings may warrant.

We are informed that the Pennsylvania Railroad Co. has ordered 5,000 additional freight cars at a cost of about \$27,500,000, and has ordered, or contemplates ordering, 214 additional Diesel locomotives at an estimated cost of about \$55,000,000 or a total of \$82,500,000; and that it has accepted the offer of the Metropolitan Life Insurance Co. to finance the cost of this equipment under conditional sales contracts up to a maximum of \$85,000,000, or 100 percent of the cost of the equipment, the contracts to run for 15 years, one-fifteenth of the

cost to be paid each year in semiannual installments, the insurance company to arrange for bank participation in the loan for the first five annual repayments of the principal at an average interest cost to the carrier of $2\frac{1}{4}$ percent, the interest rate for the remaining 10 years to be at the rate of 3 percent, or an average of about 2.906 percent. The equipment is scheduled for delivery between November 1950 and June 1951. Interest is to begin only as units are completed and paid for through use of the funds advanced by the insurance company and the bank. Subject to our approval, the Pennsylvania proposes to issue notes to evidence its obligations under the conditional sales contracts.

Here also the principal advantage expected is the means afforded the carrier to obtain much-needed equipment without a substantial cash payment, in this instance approximately \$17,000,000, which would have to be made under the standard form of contract if a lower interest rate is to be obtained. While the equipment is to be purchased at competitive bidding, the method of financing proposed would require relief from the competitive-bidding requirement in the sale of securities imposed as a result of our decision of May 8, 1944, in *In Re Competitive Bidding in Sale of Securities*, 257 I. C. C. 129.

RECONSTRUCTION FINANCE CORPORATION ACT

Since our last report we have approved aid by the Reconstruction Finance Corporation to two railroad companies and to the receiver of another railroad.

We approved a loan of \$150,000 by the Corporation to the Pecos Valley Southern Railway Co. for constructing a storeroom-engine-house building, purchasing a caboose, repairing two bridges, and replacing three wood culverts. We denied a petition by the owners of this railway company for modification of the conditions imposed in our approval by elimination of the requirement that they guarantee repayment of the loan.

We also approved a loan of \$5,607,300 to the Tennessee Central Railway Co. to refund \$5,232,300 principal of maturing loans previously made by the Corporation to that company and \$375,000 of unpaid interest on the loans.

We approved financial aid to the receiver of the Georgia & Florida Railroad through the purchase by the Corporation of \$950,000, principal amount, of receiver's certificates to enable him to acquire three 600-horsepower Diesel switching locomotives and six 1,500-horsepower Diesel road-switching locomotives.

On the date of this report there is pending before us an application by the Central of Georgia Railway Co., for approval of a loan of \$2,500,000, the proceeds to be loaned by the applicant to a subsidiary,

together with \$800,000 of other funds of the applicant for the purchase by the subsidiary for \$3,300,000 of certain securities, the principal items being all the common stock and a large number of shares of the preferred stock of the Savannah & Atlanta Railway Co., thus giving the applicant, through the medium of its subsidiary, control of the Savannah & Atlanta. Approval of this loan will, among other things, be dependent upon our decision in the matter of a joint application by the Central of Georgia and its subsidiary under section 5 (2) of the Interstate Commerce Act to acquire control of the Savannah & Atlanta.

RAILROAD PASSENGER FARES

On November 28, 1949, railroads in the eastern district and Pochontas region increased their standard or basic fares, pursuant to our approval and that of the State commissions, by 12.5 percent, or from 3 to 3.375 cents in coaches and from 4 to 4.5 cents in Pullmans, except The Long Island Rail Road Co. which had already increased its interstate basic fares, pursuant to our approval, by 16½ percent or from 3 to 3.5 cents in coaches and from 4 to 4.66 cents in parlor cars.

Six of the principal railroads in the New Jersey-New York area were authorized to increase their interstate commutation fares to more or less uniform distance bases, two types of monthly fares being prescribed, one an unrestricted type good any day of the week and the other 10-percent lower, not good on Saturdays, Sundays, or holidays, prescribed in recognition of the growing trend toward the 5-day week. The resulting average increase was about 20 percent, or \$2,100,000 per annum. *Weehawken Ferry Fares and Charges*, 277 I. C. C. 95, and *New Jersey-New York Commutation Fares*, 277 I. C. C. 459. In companion proceedings, 5 of these railroads sought similar increases from the Board of Public Utility Commissioners of New Jersey on intrastate travel in that State, aggregating about \$400,000 per annum, but that board authorized an increase on such travel of only about 10 percent, or \$200,000 per annum.

In cooperation with the Pennsylvania Public Utilities Commission we considered commutation fares affecting suburbs of Philadelphia, Pittsburgh, and Harrisburg, Pa., permitting increases ranging from 21 to 25 percent which put them on the basis of the New Jersey-New York interstate scales before mentioned. The estimated increase in interstate revenue was \$275,000 and in intrastate revenue, \$1,225,000, a total of \$1,500,000, *Commutation Fares, Eastern Railroads*, 278 I. C. C. 491.

Proposed increased fares of the Hudson & Manhattan Railroad Co. between New York, N. Y., and points in New Jersey were found just and reasonable in *Hudson & M. R. Co. Passenger Fares 1949*, 277 I. C. C. 313.

In a section 13 proceeding involving intrastate commutation fares of the New York, New Haven & Hartford Railroad Co. in New York, an increase in such fares to the interstate level was authorized, *New York State Commutation Fares, New Haven Railroad*, 279 I. C. C. 151.

An increase of 20 percent in commutation fares of the Louisville & Nashville Railroad Co. for interstate travel to and from New Orleans, La., was approved in *Commutation Fares Between New Orleans and Miss.*, 278 I. C. C. 567.

There are pending proceedings, some of which present issues under section 13, involving commutation fares between points in New Jersey, between Washington, D. C., Baltimore, Md., and their suburbs, and in the suburban area surrounding Chicago, Ill. In the Chicago case the increased revenue sought by the Chicago & North Western Railway Co. and the Illinois Central Railroad Co. amounts to \$1,000,000 per year.

In all, a total of 17 passenger-fare proceedings were handled during the period covered by this report.

INCREASED EXPRESS RATES AND CHARGES, 1949

In our last annual report we stated that hearings were held in September 1949 in Ex Parte No. 169, *Increased Express Rates and Charges, 1949*, upon a petition filed by the Railway Express Agency for an increase of 10 percent in its first-class rates and charges with second-class rates made 75 percent of such increased first-class rates.

On March 6, 1950, we issued our report in that proceeding, 277 I. C. C. 249, finding that the proposed increased rates and charges would not exceed reasonable maximum rates and charges and authorized their establishment. They became effective April 18, 1950.

RESERVED RAILROAD AND PULLMAN PASSENGER ACCOMMODATIONS

After service of a proposed report by an examiner, and oral argument by interested parties, we issued our report in this investigation on June 5, 1950, in *Sleeping, Parlor Car, and Reserved Coach Tickets*, 278 I. C. C. 217.

BUS FARES AND CHARGES

In No. MC-C-550, *Investigation of Bus Fares*, a proposed report of the examiner dealing with intercity, regular-route fares and charges of the respondents was served on July 20, 1950. No exceptions to that report were filed. The matter has been submitted to us for determination.

Hearings have been completed on the reasonableness, and lawfulness otherwise, of the fares and charges applicable for the transportation

by respondents in interstate commerce of passengers over irregular routes and in special operations over regular routes. A proposed report of the examiner will be served.

RAILWAY MAIL PAY

In this investigation the Post Office Department and the applicant railroads have completed the work of analyzing space and cost data obtained in field studies of operation by the railroads in transporting the mails, and services connected therewith principally those in handling mail in railroad terminals and in terminal switching, referred to in our last report.

In a supplemental petition filed December 30, 1949, the applicant railroads requested an increase in mail-pay rates not less than 95 percent of those in effect February 19, 1947, when they filed their original petition, instead of 80 percent requested in their prior supplemental petition.

By stipulation, these parties have agreed upon an amount as the fair and reasonable compensation for mail services by the railroads during the period from February 19, 1947, to and including December 31, 1950, in addition to the amounts derived from the mail-pay rates prescribed by us and in effect immediately prior to that period. The amount stipulated is subject to approval by the Commission after a hearing, which is now scheduled.

The stipulation also includes agreement by the Post Office Department and the railroads upon certain principles to govern authorizations of space for services on and after January 1, 1951, and a plan or method of pay under which compensation for specified services shall be separately stated with respect to line-haul services, and terminal services. At hearings now scheduled evidence will be presented to us with respect to the matters included in the stipulation, as well as with respect to the costs of service and related subjects, so that we may determine what should be the reasonable rates and compensation for mail services by the railroads on and after January 1, 1951.

AGREEMENTS BETWEEN OR AMONG CARRIERS

Our work under section 5a, the so-called Reed-Bulwinkle Act, was referred to briefly at page 22 of our last annual report. Under this act, applications have been filed for approval of 27 agreements establishing procedures for the joint consideration, initiation or establishment of rates, fares or charges by groups of railroads, motor carriers, and water carriers. The one submitted by the railroads in the western district was approved prior to the submission of our last annual report and eight others have since been approved, including the agreement among the railroads in the eastern district. Two of the agreements

submitted for our consideration did not preserve to member carriers the free and unrestrained right of independent action contemplated by section 5a (6) of the act. Accordingly, those agreements were not approved, and the related applications were dismissed.

Field investigations of the records of various bureaus operating under approved agreements have been made. It will not be possible, however, to have a complete reflection of the operations under such agreements until a system of record keeping and reporting has been devised and prescribed. The determination of such a system necessarily has been deferred until some of the more important pending motor-carrier applications can be disposed of, because of the bearing which motor-carrier agreements and procedures may have on the record-keeping and reporting requirements to be prescribed. It should be noted in this connection that the staff at present available for the field investigating work will not be adequate to keep us properly informed from time to time as to the actual practices of the carriers in relation to the terms of the agreements and the conditions of our approval.

We have prescribed a regulation respecting the registration of new parties to approved agreements.

INVESTIGATIONS

Reports have been published in the following investigations of general interest instituted on our own motion.

Ex Parte No. 137, *Contracts for Protective Services*, 276 I. C. C. 323; sixteenth supplemental report decided March 21, 1950; seventeenth supplemental report decided July 14, 1950.

Ex Parte No. 169, *Increased Express Rates and Charges, 1949*, 277 I. C. C. 249.

Ex Parte No. 173, *Accident Near Coshocton, Ohio* (mimeograph), decided October 4, 1950.

Ex Parte No. MC-42, *Handling of C. O. D. Shipments*, 51 M. C. C. 5.

No. 10122, *Standard Time Zone Investigation*, 276 I. C. C. 128; 277 I. C. C. 506.

No. 17801, *Rules for Car Hire Settlement*, 278 I. C. C. 177.

No. 20769, *Charges for Protective Service to Perishable Freight*, 277 I. C. C. 347.

No. 24160, *Divisions of Rates, Official and Southern Territories*, 278 I. C. C. 89.
(Second report on further hearing.)

No. 28863, *Wool and Mohair Rates*, 276 I. C. C. 259.

No. 29679, *Express Earnings, Plan and Method of Division*, 278 I. C. C. 505.

No. 29721, *All-Rail Commodity Rates Between Calif., Oreg., and Wash.*, 277 I. C. C. 511.

No. 29722, *Pacific Coastwise Water Rates*, 277 I. C. C. 511.

No. 29901, *Status of Allegheny and S. S. Ry. Co.*, 277 I. C. C. 119.

No. 30031, *Sleeping, Parlor Car, and Reserved Coach Tickets*, 278 I. C. C. 217.

No. 30095, *Pick Up and Delivery Cancellation in New England*, 277 I. C. C. 745.

No. 30170, *Hudson & M. R. Co. Passenger Fares, 1949*, 277 I. C. C. 313.

No. 30178, *Weehawken Ferry Fares and Charges*, 277 I. C. C. 95.

No. 30186, Forwarder Increases, California to Arizona, New Mexico, and Texas (mimeograph), decided July 19, 1950.

No. 30221, *Dwyer Lighterage Rates, Plattsburg and Burlington*, 277 I. C. C. 784.

No. 30222, *Dixie Carriers, Inc., Rates and Allowances*, 278 I. C. C. 417.

No. 30256, *Increased Fares, Eastern Railroads, 1949*, 276 I. C. C. 433.

No. 30278, *Pooling of Mdse. Traffic, St. Louis, Mo., to Los Angeles*, 276 I. C. C. 424.

No. 30456, *Status of Laramie Stockyards Co.*, 278 I. C. C. 770.

No. 30546, Boots and Shoes, New York Points to the West (mimeograph), decided September 6, 1950.

No. MC-C-1003, *Class and Commodity Rates, New York to Philadelphia*, 51 M. C. C. 289.

No. MC-F-3457, *Geitz Stor. & Moving Co., Inc.—Investigation of Control*, 55 M. C. C. 649.

No. MC-F-3910, *The Greyhound Corporation—Investigation of Control—Southeastern Greyhound Lines, et al.*, embraced and reported in No. MC-F-4307, *The Greyhound Corporation—Control—Southeastern Greyhound Lines, et al.*, 57 M. C. C. 123.

The following proceedings have been discontinued.

No. 29468, Refrigerator Cars, Basis for Car Hire.

No. 29663, Transcontinental Rail Rates.

No. 29664, Intercoastal Water Rates.

No. 29708, All-Water, Water-Rail, and Rail-Water Rates Between Pacific Coast Ports and Interior Points.

No. 29770, Increased Less-Than-Carload Rates, Official Territory.

Other investigations are pending, some of the more important of which are the following:

Ex Parte No. MC-5, Motor Carrier Insurance for Protection of Public.

Ex Parte No. MC-19, Practices of Motor Common Carriers of Household Goods.

Ex Parte No. MC-37, Commercial Zones and Terminal Areas.

Ex Parte No. MC-39, Practices of Property Brokers.

Ex Parte No. MC-43, Lease and Interchange of Vehicles by Motor Carriers.

Ex Parte No. MC-45, Descriptions of Motor Carrier Certificates.

Ex Parte No. 104, Terminal Services, Practices of Carriers Affecting Operating Revenues or Expenses, Part II.

Ex Parte No. 166, Increased Freight Rates, 1947.

Ex Parte No. 168, Increased Freight Rates, 1948.

Ex Parte No. 172, Water Carrier Service on the Great Lakes with Nonowned Vessels.

No. 9200, Railway Mail Pay.

No. 28300, Class Rate Investigation, 1939.

No. 28310, Consolidated Freight Classification.

No. 28991, Passenger Fares Between District of Columbia and Nearby Virginia.

No. 29555, Pickup and Delivery Service by Railroads.

No. 29556, Charges on Small Shipments by Railroads.

No. 29885, In the Matter of Divisions of Joint Rates Between Official and Southern Territories.

No. 29886, In the Matter of Divisions of Joint Rates Between Official and Southwestern Territories.

No. 30030, Special Regulations, Eggs.

No. 30091, Bracing Charges at North Atlantic Ports.

No. 30108, Towage Charges, Moran T. & T. Co.

No. 30171, Charges for Coach Seat Reservations in East and South.

No. 30280, Rule 34 of Consolidated Freight Classification No. 18.

No. 30304, Rate Restrictions at Buffalo, N. Y., Stations.

No. 30316, Cigarettes and Tobacco, Virginia to Official Territory.

No. 30403, Refrigerated S. S. Line, Rates and Advance Charges.

No. 30416, Class Rates, Mountain-Pacific Territory.

No. 30464, Drugs, Medicines, Etc., in Official Territory.

No. 30475, Unauthorized Free Transportation by Railroads.

No. 30513, Ground Barite (Barytes), Ark., Mo. & Ga. to Louisiana.

No. 30555, Minimum Passenger Fares, Illinois Central R. Co. (Interstate).

No. 30556, Carrier Switching at Industrial Plants in East.

No. 30561, Minimum Passenger Fares, Chicago North Shore and Milwaukee Railway Company (Interstate).

No. 30562, Routing Export Grain to Texas Ports.

No. 30605, Atwacoal Transportation Co., Minimum Rates.

No. 30660, Class Rates, Transcontinental Rail, 1950.

No. 30661, Coal, Illinois & Indiana to Ontonagon, Mich.

No. 30667, Forwarder Rates, East to Western Points.

No. 30672, Drugs, Medicines, Etc., Chicago, Ill., to East.

No. 30673, Express Rates on Fish, Crab Meat, and Shrimp.

No. 30678, T. J. McCarthy, Sr., et al., Investigation of Control, Steel Products Steamship Corporation.

No. 30687, Drugs & Medicines, Missouri, Indiana & Michigan to East.

No. 30688, Icing Allowances at Laredo and Brownsville, Texas.

No. 30690, Increased Parcel Post Rates, 1950.

No. 30691, Candy Between South and Central Territory—Rail.

No. MC-C-150, Motor Freight Classification.

No. MC-C-200, Motor Carrier Class Rate Investigation.

No. MC-C-542, Pickup and Delivery Services by Motor Carriers.

No. MC-C-543, Charges on Small Shipments by Motor Carriers.

No. MC-C-550, Investigation of Bus Fares.

No. MC-C-1115, Motor Carrier Rates New York City Area—New England.

No. MC-C-968, Determination of Exempted Agricultural Commodities.

No. MC-F-3877, North American Van Lines, Inc. et al.

INTRASTATE RATE CASES

Reports have been published in the following investigations instituted under section 13 (3) of the act.

No. 30035, *Kansas Intrastate Rates*, 277 I. C. C. 21.

No. 28881, *Bituminous Coal Rates Within Illinois*, 277 I. C. C. 495.

No. 30340, *Alabama Intrastate Express Rates and Charges*, 277 I. C. C. 712.

No. 30140, *Increases in Florida Intrastate Rates*, 278 I. C. C. 41.

No. 30082, *Mississippi Intrastate Express Rates and Charges*, 278 I. C. C. 84.

No. 30455, *Alabama Intrastate Rates and Charges, 1950*, 278 I. C. C. 605.

The following proceedings instituted by us under section 13 (3) of the act are pending:

- No. 30010, New York State Commutation Fares, New Haven Railroad.
- No. 30035, Kansas Intrastate Rates.
- No. 30540, Intrastate Coal Rates to Northern Illinois.
- No. 30545, Illinois Intrastate Multiple-Trip Fares.
- No. 30555, Minimum Passenger Fares, Illinois Central Railroad Company.
- No. 30560, Illinois Central Multiple Fares in Chicago Area.
- No. 30561, Minimum Passenger Fares, Chicago North Shore and Milwaukee Railway Company.
- No. 30600, New Jersey Intrastate Commutation Fares.
- No. 30674, Montana Intrastate Freight Rates and Charges.

The following proceeding instituted by us under section 13 (3) of the act has been discontinued:

- No. 29846, Texas Rates on Wheat and Articles Taking Wheat Rates.

CLASS RATE AND CLASSIFICATION INVESTIGATIONS

Within the year we have instituted investigations of the class rates of railroads in the mountain-Pacific territory, and also the trans-continental rail class rates between mountain-Pacific territory and the rest of the country. No hearings have yet been held on these investigations, but preliminary steps have been taken looking toward the taking of evidence. The investigation (No. 28300) covering the class rates in the territory east of mountain-Pacific territory has been further progressed during the past year. Evidence has been submitted in that proceeding in the form of numerous verified statements as to the level of class rates to be used in connection with a new uniform freight classification.

The present differences between the levels of class rates applicable in the territory east of the Rocky Mountains have been lessened as a result of our interim order in No. 28300, and as the result of the general increases authorized in Ex Parte Nos. 162, 166, and 168, as such increases were generally greater in eastern territory than in the South and West.

Work on the construction of a new uniform freight classification has progressed to a point where the eastern and western railroads have submitted in printed form a tentative uniform freight classification which, while embracing many reservations as still incomplete, has been put out by us as a basis for proceedings under the rule-making procedural provisions of the Administrative Procedure Act.

All parties to the investigation concerning a uniform freight classification have been requested to submit their evidence in the form of verified statements. Some evidence in this form has already been received, and rebuttal, it is expected, will be received before the end of 1950.

SMALL SHIPMENTS

In our prior reports we referred to two pending proceedings, No. 29556, Charges on Small Shipments by Railroads, and No. MC-C-543, Charges on Small Shipments by Motor Carriers, which relate to the compensatory nature and propriety of the charges on small shipments transported by railroads and by motor carriers. Final hearings were held in January 1950. At these hearings additional evidence was presented by the respondents, shippers, shipper organizations, and members of our staff.

Briefs were filed August 1, 1950, by numerous parties who participated in the hearings. Our examiners are now engaged in preparing a proposed report which will contain their recommendations for consideration by the Commission.

LESS-THAN-CARLOAD RATE PROPOSAL

In our sixty-third annual report we mentioned that docket No. 29770, *Increased Less Than Carload Rates in Official Territory*, 273 I. C. C. 57, which dealt with a proposal by railroad and water common carriers to increase class rates applicable to less-than-carload and any quantity freight traffic within official territory generally, had been reopened for further hearing upon consideration of a petition by official-territory railroads. As a result of conferences between the carriers and the shippers in attempts to agree upon an acceptable basis of rates the further hearing was postponed from time to time.

Tariffs were filed effective June 19, 1950, reflecting a compromise proposal under which the rates on exceptions-rated traffic would be increased about 7.5 percent to the level of the classification-rated scale, and the minimum charge on a single shipment would be increased to \$2. Upon protests by interested parties operation of the tariffs was suspended and we heard oral argument on the issues, after which the suspended tariffs were permitted to become effective on July 24, 1950. Following that action docket No. 29770 was discontinued by order dated July 31, 1950.

PICKUP AND DELIVERY SERVICE

Two pending investigations into the pickup and delivery services of the railroads and motor common carriers have been described in detail in previous annual reports. Additional hearings were held during the past year, but the record is not as yet closed. At the last hearing a motion was made by the interested shippers, and concurred in by most respondents, that the proceedings be discontinued because of substantial changes in conditions since they were instituted. This motion is under consideration by the Commission.

COMMODITY DESCRIPTIONS IN OPERATING AUTHORITIES

In previous annual reports we have mentioned some of the troublesome situations arising from the commodity descriptions in motor-carrier operating authorities. Experience in the administration of part II of the Interstate Commerce Act has disclosed difficulty of enforcement of the terms and conditions of certificates of public convenience and necessity issued to common carriers of property. We have found that such carriers in some instances are unable to translate the commodity descriptions in such certificates into lawfully filed tariffs by plain statements of the service offered. Experience has also demonstrated a need for greater uniformity in commodity descriptions and commodity classifications and service in such certificates.

We accordingly instituted an investigation which has been docketed as Ex Parte No. MC-45, Commodity Descriptions in Common Carrier Certificates, to determine whether there should be established commodity lists under class or generic headings specifying the commodities to be transported thereunder, as well as the terms, conditions, limitations, and descriptions of the service and the meaning thereof to be used in future certificates. Such lists would serve as a guide in the preparation and filing of applications, aid in the interpretation of certificates, and eliminate much of the present difficulty in the publication and filing of rates under such certificates. After a pre-hearing conference at Washington, D. C., hearings were held at Atlanta, Ga.; Dallas, Tex.; San Francisco, Calif.; Chicago, Ill.; and Washington. Briefs have been filed and the proceeding is awaiting the examiner's proposed report.

GOVERNMENT REPARATION CASES

One of these cases has been decided in favor of defendants, *Reconstruction Finance Corp. v. Alabama G. S. R. Co.*, 276 I. C. C. 637. Hearings have been completed in five others, Nos. 29622, 29735, 29746, 29795, and 29805. The complainant, United States of America, has completed its presentation in Nos. 29572, 29761, 29822, 29853, 29861, 29875, 29917, 29918, 29920, 29926, 29930, and 30076. Defendants' evidence will be introduced at an adjourned hearing early in 1951.

LAWS RELATING TO RAILROAD LABOR

As shown in our annual reports for previous years, the Railway Labor Act, the Railroad Retirement Act, the Railroad Unemploy-

ment Insurance Act, and the Carriers Taxing Act authorize us, under certain conditions, to determine whether any line operated by electric power falls within the terms of the provisions of these statutes, which exempt street, interurban, or suburban electric railways therefrom. The Railway Labor Act also authorizes us to amend or interpret our orders defining the work of employees and subordinate officials of common carriers by railroad. During the current year only one petition requiring action by us with respect to these parts of such statutes, was filed: No. 30456, Status of Laramie Stockyards Co. That proceeding was instituted at the request of the Commissioner of Internal Revenue, who sought a determination of the status of that company under the Carriers Taxing Act of 1937 and the Railroad Retirement Act. The Commission found the Laramie Stockyards Co. of Laramie, Wyo., to be a common carrier by railroad subject to the Interstate Commerce Act insofar as it performs loading or unloading of livestock moving in interstate or foreign commerce.

The following proceeding decided during the year is of collateral interest in the matter of railroad labor. It is No. 29901, Status of Allegheny & South Side Railway Co., which had been reopened for reconsideration on petition of the Brotherhood of Railway Trainmen. The Commission determined, 277 I. C. C. 119, that this company was a common carrier by railroad subject to the Interstate Commerce Act.

WATER COMPETITIVE RAIL RATES

In our preceding annual report, pages 52 to 53, we outlined the progress made in numerous proceedings which had been reopened or were initiated for the purpose of determining as quickly as possible the lawfulness of the rail rates so far as they are competitive with the water rates.

Of the reopened proceedings in which the railroads had been granted relief from the fourth section to meet ocean competition, all but two have been determined. All of the barge-competitive proceedings have been decided, although one such proceeding has again been reopened.

Among the investigations instituted Nos. 29663, 29664, and 29708, involving the transcontinental rail and rail-water rates and the related intercoastal water rates, were the subject of a preliminary report, *Transcontinental Rail Rates*, 268 I. C. C. 567, and were held open for such further proceedings as might be desired by the water lines. After receiving and considering the views of the parties, none of whom favored the continuance of the proceeding, we discontinued the investigation by order of October 2, 1950.

In the similar investigations, Nos. 29721 and 29722, involving the lawfulness of the rail rates and competitive water adjustment along the Pacific coast, the first report, *All Rail Commodity Rates Between Calif., Oreg., and Wash.*, 268 I. C. C. 515, canceled all fourth-section relief based on water competition and admonished the rail lines to revise their rates in the light of the views expressed in the report. This was followed by further hearings in which the rail lines were called upon to justify their newly established rates. In the report on further hearing, 277 I. C. C. 511, we found that, in general, the rail rates under investigation were not unreasonably low and had not been shown to be unjustly discriminatory or unduly prejudicial or otherwise unlawful, and discontinued the investigations. We found that generally substantial increases in the rail rates along the Pacific coast have been brought about since our first report in this proceeding, over and above those resulting from the general increases. With few exceptions the rail rates were found not to be low in relation to the cost of rail service. We further found that as to most of the traffic along the Pacific coast the rail lines, rather than the water lines, are the low-cost operators; and that the situation of the Pacific coast coastwise water lines is due primarily to high terminal and accessorial costs incident to water service, which frequently equal and sometimes exceed the entire cost of the competing rail service. In certain instances in which the rail rates appeared to be lower than justified or out of line with other rates, the rail carriers were called upon to initiate further adjustments. We have been advised that action has been taken to correct most of these situations.

Frequently during the past year we have had occasion to consider, either in suspension proceedings or fourth-section application cases, rail rates reduced to meet water competition. Numerous suspensions of the rates resulted. In some instances, after investigation, the reduced rates were found not unreasonably low; in others, they were found not justified and required to be canceled. It has been the general policy of the Commission not to grant any relief from the fourth section to meet water competition without full justification at a hearing.

PROTECTIVE SERVICE AND CAR OWNING COMPANIES

In our reports for 1948 and 1949 reference was made to Docket No. 20769 relating to the propriety of requiring improved and broadened protective service against cold for railroad transportation of apples and pears from the West to the East based upon the temperature

within the car instead of outside, and for all perishable freight within the East by the establishment of a service to be rendered upon the initiative and responsibility of the carrier. The latter type of service, known as carriers' protective service, has been available to shippers in the West for many years, but is not provided in the region approximately east of the Illinois-Indiana State line.

As noted in our last report, hearings in the afore-mentioned proceeding were concluded in the latter part of 1948, and we issued our report and order July 29, 1949 (274 I. C. C. 751), requiring the extension of carriers' protective service for apples and pears from the West to the East and the establishment of such service within the East on all perishable freight, except potatoes from Maine, on or before March 1, 1950. Pursuant to petition of the carriers for reconsideration the proceeding was reopened. We issued our report and order upon reconsideration on March 6, 1950, 277 I. C. C. 347, requiring the establishment of the service on or before October 15, 1950. The necessary tariff schedules providing for the establishment of the service on that date have been filed with us.

Since our last report we have approved 16 new contracts or agreements between common carriers by railroad and other persons for the furnishing to or on behalf of such carriers of protective service against heat or cold to property transported in interstate or foreign commerce in accordance with section 1 (14) (b) of the Interstate Commerce Act.

Between September 1, 1949, and September 1, 1950, the railroads and railroad-controlled car-line companies installed 1,940 new refrigerator cars and retired 3,678, making a net loss of 1,738. On September 1, 1950, the railroads and their controlled car-line companies had 5,205 refrigerator cars on order, and other persons, principally private car-line companies, had 160 such cars on order. Class I railroads and railroad controlled car-line companies owned 100,586, and 28,114 such cars were owned by other persons, making a total of 128,700. The refrigerator-car supply during 1950 has been adequate. The volume of perishable rail freight moved during the first 8 months of 1950 was 1.3 percent less than for the same period of 1949. The reduction was due to a substantial reduction in the potato movement. Since April 1, 1950, however, the volume has been increasing.

SAFETY WORK AND ACCIDENTS

RAIL

The number of persons killed and injured in accidents involving train operation (train and train service accidents) in 1949 totaled 3,163 killed and 19,603 injured, as compared with 3,572 killed and

25,698 injured in 1948. There was a further reduction in these accidents in the first 6 months of 1950 as compared with the corresponding period in 1949, as shown in the following statement:

Train and train service, 6 months, January to June

	Number of persons killed		Number of persons injured	
	1950	1949	1950	1949
Trespassers.....	494	518	441	437
Employees on duty.....	99	163	5,294	6,010
Passengers on trains.....	41	11	1,465	1,173
Travelers not on trains.....	2	2	29	17
Others.....	765	758	2,309	2,239
Total.....	1,401	1,452	9,538	9,876

The volume of railway traffic in the first half of 1950 as measured in revenue ton-miles and passenger miles declined 2.6 percent and 16.1 percent, respectively, from that of the same period in 1949. This decline in traffic may be compared with the drop in the total casualties in train and train-service accidents of 3.4 percent in the same period.

Under the Locomotive Inspection Act all accidents resulting from failure from any cause of any part of any locomotive or tender used on the line of a carrier coming within the jurisdiction of the act which result in death or serious injury to one or more persons are required to be reported by the carrier owning or operating the locomotive.

Accidents involving steam locomotives decreased materially, and accidents involving locomotives other than steam increased slightly as compared with the preceding year. The decreasing number of steam locomotives in service and the increasing number of locomotive units other than steam are indicated in the following statement:

Number of locomotives for which reports were filed for fiscal years ended June 30

Period	Steam locomotives	Locomotives other than steam (units)
Year 1950.....	29,743	15,719
Year 1949.....	33,866	12,692
Year 1948.....	37,073	9,803
Year 1947.....	39,578	7,505

Our reports for the last 4 years have outlined the progress made in the investigation which we instituted in 1946, Docket No. 29543, regarding the need for greater protection for high-speed train operation: As stated last year, hearings have been had on all petitions for exemption from or modification of our order in this proceeding.

In some of these cases reports and amending orders have been issued, and others are pending. On a number of roads the required installations are in progress.

Under the Accident Reports Act, approved May 6, 1910, we have investigated the more serious railroad accidents during the past 5 years, as follows:

Year ended June 30—	Number of accidents investigated			Persons	
	Collisions	Derailments	Total	Killed	Injured
1950-----	45	22	67	100	1,659
1949-----	46	23	69	80	1,210
1948-----	52	28	80	106	1,624
1947-----	74	40	114	214	2,984
1946-----	73	20	93	205	3,566

Under existing law we are authorized to investigate accidents and to make reports on such investigations, including such recommendations as we deem proper. By bills now pending before the Congress (H. R. 378 and S. 238), upon which hearings have been held, our authority to require the correction of unsafe conditions would be enlarged. These bills also propose to extend our jurisdiction over wayside or train communication systems as indicated in the chapter on Electronics in Transportation.

MOTOR

The total number of accidents reported by motor carriers during the calendar year 1949 was 22,478, an increase of slightly less than 5 percent over the 1948 figure of 21,419. In the 1949 accidents, 1,471 persons were fatally injured, 2 percent fewer than in 1948. The number of persons sustaining nonfatal injuries was 17,787, a decrease of 5 percent from 1948. The 1949 property damage amounted to \$25,292,708, or an increase of 2 percent over the preceding year.

Carriers of property reported about 7 percent more accidents in 1949 than in 1948, while passenger carriers reported 2 percent fewer accidents in 1949 than in the preceding year.

The above statistics relate only to accidents involving fatal or nonfatal injuries and those involving property damage to an apparent extent of \$100 or more, experienced by common and contract carriers in their interstate operations extending beyond the commercial zone of any municipality. Interstate operations of private carriers, and those operations of common and contract carriers which are confined to commercial zones of municipalities, are exempt from accident-reporting requirements.

There were more accidents reported as involving mechanical defects than for any previous year. For 1949, a total of 1,416 such accidents were reported, as against 1,320 for 1948. These accidents resulted in 61 fatalities, 748 injuries, and \$2,600,000 property damage. Although the number of such accidents is increasing, the casualties and property damage resulting therefrom are, in general, declining. The increased number of accidents is attributable entirely to the operations of carriers of property since passenger carriers are reporting a steadily decreasing number of mechanical-defect accidents. Accidents caused by brake failures, already the most frequently occurring type, are causing an ever-increasing percentage of all mechanical-defect accidents.

The number of reported accidents involving fires decreased from 569 for 1948 to 527 for 1949. This is the first decrease over the preceding year since 1942. Again comparing 1948 with 1949, fatalities decreased from 177 to 170 and injuries from 521 to 460, but property damage increased from approximately \$5,100,000 to \$5,400,000. Busses were involved in only 29 or 5.5 percent of fire accidents.

Special studies of accidents involving mechanical defects and accidents involving fires, which include recommendations for the prevention of such accidents, are prepared annually and made available to motor carriers, motor-carrier associations, and others interested. Such reports for 1949 are in course of preparation and should shortly be available.

Accidents resulting from drivers falling asleep at the wheel reported for the 12 months beginning July 1, 1949, and ending June 30, 1950, came down to 207 from a total of 249 for the previous similar period.

In order to obtain some definite evidence of the effect of the activities of our small corps of safety inspectors scattered throughout the country, our Section of Safety of the Bureau of Motor Carriers compiled reports of the safety experience of 21 motor carriers which had no organized safety program in 1947, but which later instituted such a program as the result of activities of our staff. Complete figures on accidents and mileage for such carriers were obtained for 1947 and 1949. Although the experiences of the individual carriers differed to a considerable extent, the summary of the 21 carriers' reports shows that for equal mileage these 21 carriers in 1947 had 2,790 accidents in which 63 people were killed and 451 injured. In 1949 they had 1,592 accidents in which 28 people were killed and 269 injured. In other words, the same carriers after having a safety program for less than 2 years had reduced the number of accidents by 1,198 or 43 percent; had killed 35, or 55 percent less people, and caused 182, or 40 percent, fewer personal injuries. This was on the basis of 93,000,000 miles of operation. It is obvious that great savings in

life would result if similar programs were adopted by all carriers which have not already done so. A larger staff of field safety inspectors is needed to promote this objective more rapidly.

Vigorous administrative action has been continued to promote and improve the safety work of motor carriers and their compliance with our safety regulations. Where such action has been ineffective, it has been necessary in many instances to prosecute for violations of the regulations.

Special attention has been given to such matters as the betterment of vehicle inspection and maintenance practices, reduction of excessive hours of driving and other duty by drivers, and safeguards in the transportation of explosives.

Our staff has continued its participation in courses established in many universities throughout the country for the instruction of fleet supervisors in safety procedures and has instructed many other groups, including drivers, on highway safety and our safety regulations.

Limitations of staff have again prevented us from devoting any substantial amount of time and attention to private carriers and carriers of agricultural and other exempt commodities that are subject only to our safety regulations and operate approximately 827,818 motor vehicles.

ELECTRONICS IN TRANSPORTATION

Since our last annual report the train communication system on 234 miles of the Atlantic Coast Line Railroad between Rocky Mount and Wilmington, N. C., and Wilmington and Florence, S. C., mentioned as in progress of installation in previous reports, has been completed.

According to reports submitted by the carriers, as of January 1, 1950, there were 59 installations of train-communication systems in service on line-of-road of 32 railroads and 111 installations in service in yards and terminals on 50 railroads.

The 59 line-of-road installations comprise 30 which use space radio, 17 inductive systems, two systems using both inductive and space radio equipment, three end-to-end installations employing wire connections through the train, one combined inductive and wire intercommunication system and six systems using radio telephone service provided by communication common carrier. One of these six systems is used in connection with railroad operation and the other five provide telephone service for passengers.

The 111 yard and terminal installations consist of 93 radio systems, 14 inductive systems, and four installations using leased radio services. Eighty-seven of the radio systems provide communication between fixed stations and switching engines and six provide communication

between fixed stations and portable pack radios used in yard operations.

The total line-of-road and yard and terminal installations comprise 170 installations of train communication systems of all kinds in service on 61 railroads, 21 railroads having both line-of-road and yard and terminal installations, 11 line-of-road only, and 29 yard and terminal only.

For the past 4 years we have recommended that section 25 of the Interstate Commerce Act be amended so as to authorize us to require any carrier subject to that section to install and maintain telegraph, telephone, radio, inductive, or other wayside or train-communication systems intended to promote safety of railroad operation. H. R. 378 and S. 238 introduced in the Eighty-first Congress and now pending would carry this recommendation into effect.

STANDARD TIME ZONE INVESTIGATION

Since our last annual report the only modification of the orders in this proceeding concerned the boundary line between the United States standard mountain and Pacific zones. Effective April 30, 1950, the limits of the mountain zone were extended to include the northwest portion of the State of Arizona, which had theretofore been in the Pacific zone. As a result, the entire State of Arizona is now embraced in the mountain zone.

Many more communities observed daylight-saving time this year than ever before. We understand that California and Nevada now have laws which provide for advancing the clock by 1 hour from the last Sunday in April to the last Sunday in September, and there has been a notable increase in the number of localities in Oregon and Washington which observed the faster standard during that period. Several cities in northern Kentucky shifted to daylight-saving time during the past season.

An interesting development has occurred in Indiana where, despite a State law providing for the observance of central standard time, business establishments in numerous cities in the State opened and closed 1 hour earlier during the usual daylight-saving period, but the clocks were not disturbed. We have no information as to whether this substitute for daylight-saving time was satisfactory.

Two bills, H. R. 105 and H. R. 4764, were introduced in the Eighty-first Congress, either of which would have been in accord with our recommendation for the past several years that the standard time provided in the Standard Time Act (15 U. S. C. 261-5), be required for all purposes. One of the bills contained a daylight-saving feature; the other did not. No action has been taken. We renew our recommendation that Congress fully occupy the legislative field in matters

of time and broaden the scope of the Standard Time Act so as to provide for each of the time zones a uniform standard of time for all purposes.

SPOTTING SERVICES AT INDUSTRIAL PLANTS

In several of our prior annual reports we have made reference to the general investigation which we had instituted into practices of carriers affecting operating revenues and expenses under Ex Parte No. 104, part II, relating to terminal services performed by carriers by railroad.

There are numerous large plants throughout official territory where carriers are performing terminal services, or paying allowances in lieu thereof, under conditions that are doubtless analogous to those which we have found unlawful at other plants.

The duty of enforcing compliance with the principles established in these proceedings is formidable but one which must be met if uniform practices in respect of allowances and switching services and equality of treatment for all shippers is to be observed. However, we have been severely restricted in our efforts to make the necessary field investigations, approved by us, in more than 40 industrial plants, many of them of considerable size, because of the lack of sufficient funds and personnel.

Since our last annual report additional investigations were instituted at plants where carriers were performing terminal services or paying allowances. Hearings were held and supplemental reports were adopted finding that the performance of such services by carriers without charge in addition to the line-haul rates or payment of allowances to the industries for performing such services were unlawful in four proceedings. In two cases we found that the services performed by respondents in receiving and delivering interstate car-load traffic was a service of transportation which they were obligated to perform under the line-haul rates or for which they could lawfully pay an allowance to the industry in accordance with the provisions of section 15 (13) of the Interstate Commerce Act, and that the allowance being paid was not excessive. In addition, four proceedings have not yet been decided by us.

It cannot be emphasized too strongly that an anomalous situation exists whereby we have ordered unlawful practices discontinued at particular plants in approximately 90 proceedings, after investigation and hearings, while other industries, in similar circumstances, continue to receive what may constitute unlawful services or rebates in the form of allowances, because of our inability to make plant inspections, necessary in connection with these proceedings.

LOSS AND DAMAGE CLAIMS ON EGGS

Further hearings in this investigation, No. 30030, Special Regulations, Eggs, described in our last report, were held in New York, Los Angeles, and Chicago.

It is expected that the matter will be submitted for decision after filing of briefs, service of a proposed report, and oral argument if one is granted.

ADMISSIONS TO PRACTICE

For the year ended October 15, 1950, the total number of admissions to practice before the Commission was 1,017, greater than in any year since 1941, bringing to 19,893 the total number of admissions since our register of practitioners was established on September 1, 1929.

Of the total number of admissions in this period of more than 21 years, over 70 percent were admitted upon a showing that they were members of the bar of the highest court in their respective States. In the last few years the number of such admissions has remained fairly constant; on the other hand, the number of applicants for admission who are not members of the bar of the highest court in their States has tended to increase. Since 1938 we have required such applicants to pass a written examination, two of which are held each year. During the last year 460 applicants took the examinations, of whom 335, or 72.8 percent passed. This may be compared with 440 applicants examined in 1949, and 384 in 1948.

The examinations are designed to test the applicant's knowledge of the structure and history of the Interstate Commerce Act and related acts, our rules of practice, the general rules of evidence, the leading cases involving interstate commerce and their significance, and the principles of legal ethics. The application and returns by sponsors are carefully scrutinized to reveal and consider the training and experience of the applicant. In addition we have the benefit of an investigation and report by a committee of our bar of practitioners as to the moral qualifications of each applicant, whether lawyer or nonlawyer.

In the 12 years since we required nonlawyer applicants to pass an examination, 1,679 applicants have attained a passing grade and have been admitted. The recent increase in the number of admissions as the result of examinations is no doubt due to interest engendered by traffic and transportation courses and the better preparation of the applicants. In the last several examinations a growing number of applicants, as part of their statement of education, have claimed credit for taking courses designed to cover the study of traffic and to

prepare the applicants for the examination. In the examination held in July 1950, 27 different courses were listed, and one or more of them were taken by most of the applicants. These courses are now available at various cities scattered throughout the country at leading universities and traffic schools or are sponsored by local traffic organizations.

WORK OF THE LEGISLATIVE COMMITTEE

The Legislative Committee responded to 62 requests from committee chairmen and other members of the Eighty-first Congress for reports on bills having a bearing on our administrative functions. In addition, it submitted nine reports to the Bureau of the Budget concerning legislative matters upon which that Bureau sought our views. Members of the Commission on various occasions appeared before congressional committees at their requests for participation in hearings on pending bills and resolutions. Several bills relating to our functions were enacted into law during the year. These are mentioned elsewhere in this report.

Among the bills still pending on which the views of the Commission have been sought are: S. 2113 (Johnson, Colorado) "To amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers"; H. R. 5967 (Crosser) "To amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers"; and H. R. 9480 (Ellsworth) "To amend part I of the Interstate Commerce Act, so as to make provision for an adequate reserve supply of railroad freight cars to supplement the normal supply in time of temporary shortage or national emergency."

TRANSPORTATION INQUIRIES BY CONGRESSIONAL COMMITTEES

During the sessions of the Eighty-first Congress, committees of the Congress, particularly the committees on Interstate and Foreign Commerce of both the House of Representatives and of the Senate, have been active in pursuing important inquiries as to transportation. The Committee on Interstate and Foreign Commerce of the House through a subcommittee on February 27, 1950, announced:

These hearings are for the purpose of receiving testimony in broad general outlines of present-day conditions, problems, and policies in the various phases of transportation which fall within the committee's legislative jurisdiction.

While the Committee on Interstate and Foreign Commerce ever has been conscious of its responsibilities in this field, the committee is especially aware of the duties imposed upon it by the Legislative Reorganization Act of 1946 to keep informed of current aspects of matters within its jurisdiction.

Such general legislative jurisdiction was further supplemented by specific authorization of the House in House Resolution 107, agreed to March 16, last, to inquire into subjects within the committee's legislative purview.

During the year hearings were conducted and investigations were made under Senate Resolution 50 by the Senate Subcommittee on Domestic Land and Water Transportation. Spokesmen for the railroads testified at these hearings that, despite efficient management and conservative capitalization, the railroad credit position is bad and that the industry, essential to our economy and the national defense, is in an unsound economic and financial condition. Inadequate earnings and loss of traffic to other agencies were attributed primarily to unequal treatment of the railroads by reason of government aids and other advantages said to be given to their competitors and to inequalities of regulation, all stated to be in contravention of the national transportation policy. While there was general agreement with the railroads' statement as to their financial status, various witnesses believed that the condition of the railroads is the result of obsolete operating practices or is otherwise internal to the industry.

The railroads' views as to public aids were contested sharply. The charge in the case of motor transportation was concentrated on what were termed "highway freighters," said to number about 400,000. These vehicles were stated not to be paying their way and to be creating damage to highways and unfavorable conditions for other highway users. Railroad witnesses proposed a Federal graduated user tax on all vehicles of a gross weight in excess of about 18,000 pounds and State action to eliminate underpayments and to protect highways by appropriate and adequately enforced size and weight limitations. To the latter end, Federal appropriations for State weighing stations, a Federal requirement that manifests of lading be carried, and other steps were proposed. The building of roads to standards said to be required by "highway freighters" was opposed.

Witnesses representing motor carriers disputed the evidence cited as showing that users of commercial vehicles do not pay adequately and charged the railroads with attempting to penalize and handicap highway transportation. The Commissioner of Public Roads reviewed studies of this subject and stated that determination of whether or not payments by users of heavy commercial trucks are sufficient is very difficult, if not impossible, on a Nation-wide basis. There also was no agreement as to damage to highways charged against heavy trucks. Testimony on this subject was given by the Bureau of Public Roads and by the railroads. Witnesses for motor carriers and some others urged that the significance of the motor truck as a factor in highway deterioration has been exaggerated. Also, attention was called to the adverse effects of diverse State size and weight laws and to the need

for highways adequate for efficient use of commercial and other vehicular traffic. Motor-carrier safety work also was mentioned.

Recommendations of railroad witnesses with respect to inland waterways included imposition of toll charges on all existing waterways or cessation of Federal expenditures on such waterways where tolls will not recover operation and maintenance expenses, placing responsibility on us or a successor agency for determination of whether future waterway projects are economically justified, and consideration of separate rather than omnibus bills for waterway expenditures by Congress. There was much opposing testimony. The existence of public aid to water carriers was denied by certain witnesses, who, with others, stressed the benefits conferred by water transportation. A national organization of shippers noted these benefits and that the costs are borne by taxpayers.

With respect to airline competition, the railroads recommended separation of air-mail pay from subsidy payments, placing airline operations on a self-sustaining basis, user charges for airways, airway services, and airports, and the abandonment of uneconomic air services. A national shippers' organization stated that the industry should anticipate being put on a self-supporting basis and there was other acceptance of this view. A witness for the airlines disputed the facts cited as to public aids or the conclusions drawn therefrom and did not think that the measures proposed were relevant to the railroads' problems or would be of much benefit to the railroads.

Various changes in the Interstate Commerce Act and other regulatory laws were proposed by witnesses representing diverse transportation and other interests. Some saw contradictions and direct conflict in administrative activities and congressional policies relating to transportation and stated that such policies should be clarified or revised.

Railroad witnesses mentioned what they considered inequities and unjustified inequalities in regulation of railroads and of other agencies of transportation. Strengthening of section 15a to assure greater earnings and amendment of section 13 to expedite increases in intrastate rates were suggested. Legislation to enable discontinuance of unprofitable services more readily also was mentioned. Repeal of the long-and-short-haul provision of the fourth section was favored by railroad interests but was opposed by water carriers, who stressed their present difficulties in meeting competitive reductions of railroad rates. Need for a more definite congressional policy to govern the relation of rail and water rates was stressed by these carriers.

A great deal of testimony was offered in connection with the exemption provided by section 203 (b) (6) of the act. A railroad witness desired the deletion of this exemption, while motor-carrier witnesses

proposed modification to narrow its effect. In general, much testimony was adduced in an effort to show its adverse effect on regulated carriers and others and their opposition to interpretations given it. However, a number of witnesses representing farm groups and fishing interests urged retention of the exemption in its present form or clarifying and broadening it. It was stated that regulated carriers cannot give the required service and are not interested in this traffic as a primary business.

Much testimony was presented by representatives of motor carriers on the subject of trip-leasing of vehicles by exempt operators to certificated carriers, on the transportation of exempt commodities on return hauls by private carriers, and on the use of owner-operators under leasing arrangements. There seemed to be no unanimity of opinion among regulated motor carriers regarding trip-leasing. Some of their representatives and a spokesman for a labor organization favored its complete elimination. The latter in particular excepted to the leasing regulations recently prescribed by division 5.⁶

Representatives of a labor organization and of other interests urged that enforcement of our motor-carrier safety regulations is inadequate. The necessity of increasing our personnel for the enforcement of these and other regulations was brought out by several witnesses.

The railroads sought liberalization of present restrictions on their engagement in motor and air transportation and were supported in this position by some of the shippers. On the other hand, the motor carriers felt that the Commission has been too liberal in administering the present restrictions and fear was expressed that integration of different modes of transportation may stifle competition, though there was no unanimity of opinion in this regard.

The railroads desired amendments directing us to satisfy ourselves that existing carriers, including railroads, are not able to provide given services before granting additional operating authorities. They also wished an amendment to require contract carriers to publish their rates and to make these rates subject to more comprehensive regulation. A representative of motor common carriers favored more complete regulation of some carriers now classified as contract carriers and of irregular-route common carriers. However, witnesses for such carriers, as well as for some shippers' interests, testified in opposition. Clarification of the status of private motor carriers also was considered desirable by some witnesses. Others opposed the suggestions made. A common carrier by water sought an amendment to require contract water carriers to file their actual rates.

Elimination of the exemptions of the transportation of commodities in bulk was sought by the railroads and of the "dry bulk" exemp-

⁶ These regulations have not become effective and have been the subject of oral argument.

tion by a representative of certain regulated inland water carriers. An intercoastal carrier and its subsidiary, a coastwise carrier, suggested consideration of extending regulation to certain commodities not now covered. Removal of the exemptions was strongly opposed by various bulk commodity carriers and there were suggestions that all regulation be removed. The railroads also wished to eliminate the final sentence of section 305 (c) as permitting water carriers to make rates without regard to their effect on railroads, and opposed language in section 307 (d) which requires us to prescribe differentials between all-rail and barge-rail rates.

Among other proposals was one for the addition of a commodities clause to parts II and III of the act. This proposal, advocated by railroads, was considered unnecessary by a motor-carrier spokesman and was otherwise opposed.

A railroad proposal to eliminate our power to suspend rates under section 15 (7) was strongly objected to by a motor-carrier witness. Other proposals included those intended to expedite and improve our proceedings involving general rate levels, elimination of our power to prescribe actual rates, and discontinuance of valuation under section 19a.

In general, many of the parties went on record as opposed to Government ownership and operation of transportation facilities and placed reliance on the maintenance of competition between privately owned carriers. In addition to specific proposals, many of the witnesses made general statements in favor of liberalizing or lessening the extent of the present regulation or opposing its further extension.

The necessity of greater flexibility and managerial discretion in railroad rate-making in order to meet competition was stressed at the hearing, but representatives of the water and motor carriers expressed concern over the possibility of railroads going below cost and of ignoring the value of commodity relationships. There was some testimony in favor of requiring all rates to be based on full cost, but there also was strong opposition to this proposal.

Advantages of railroad consolidations were cited by some witnesses. Compulsory consolidation was disapproved.

Railroad depreciation rates prescribed by the Commission were termed quite low. Higher rates on equipment and particularly on freight cars were advised. Railroad witnesses also referred to requests made to another committee for accelerated depreciation for one-half of depreciable property acquired in the defense program and for the creation of reserve funds for capital expenditures through the privilege of deferment of income taxes. The assesment of taxes for the support of general Government functions in connection with the use of publicly

provided facilities was advocated by railroad witnesses. Many witnesses favored discontinuance of the Federal transportation tax.

To improve the financial results of railroad operations, representatives of motor carriers offered suggestions calling for marked reductions of passenger service and the elimination of "head-end" and less-than-carload service, with transfers to rail freight service or other means of transportation. Spokesmen for the railroads found these suggestions impracticable and in some respects undesirable. They also complained of the adverse effects of below-cost parcel-post competition and of the lack of adequate compensation for the transportation of the mail.

A representative of the household-goods carriers objected to the recognition given by the Commission to the "special articles carriers," recommended State reciprocity in taxation and in other regulations of out-of-State motor vehicles, and also objected to Government competition in the household goods carriers' field and to its insistence on "section 22" rates.

The condition and problems of water carriers were discussed by various witnesses. Their emphasis on what they consider a pressing need for a statement of congressional policy as to how water and rail rates should be related in the interest of water-transport service has been indicated above.

The subject of national defense received brief consideration by many of the witnesses, who stressed the importance of their particular mode of transportation in case of a national emergency.

A number of witnesses presented discussions of reorganization plans pertaining to governmental agencies dealing with transportation. Some recommended a single Federal agency or a commission to handle all of the regulatory activities relating to transportation. Varying suggestions were offered as to the future handling of promotional activities. Recommendations of the Hoover Commission were favored, at least in part, by several witnesses.

Amendments to the Railway Labor Act were proposed by a railroad spokesman to provide for more effective methods of settlement of labor disputes. Other suggestions having the same objective were offered by a few other witnesses. A number of railroad labor organizations indicated opposition to the recommendations and protested against consideration of the proposals by the subcommittee.

Our Chairman testified concerning the unsatisfactory freight-car situation and recommended construction and stockpiling of freight cars. A labor witness testified in support of these measures. A spokesman for the railroads, on the other hand, did not consider the existing situation alarming.

BUREAU OF ACCOUNTS AND COST FINDING

In order to implement our previous action assigning to this Bureau the responsibility for motor-carrier accounting procedures and cost finding, formerly assigned to other bureaus, we revised the organizational arrangement in December 1949 and created within the Bureau four major sections, namely, Accounting, Cost Finding, Depreciation, and Field Service. During the year, these sections continued to formulate, interpret, and police the accounting regulations which are prescribed for common carriers as required of us and to perform cost-finding functions, all of which are essential in our rate-making and other regulatory duties. The inadequacy of the Bureau's staff, referred to in our previous annual report, due to depletion during the war through transfers of personnel to other agencies and more recently through resignations and retirements, makes it extremely difficult to accomplish the tasks, particularly the policing of the accounts of motor carriers which need attention so that their accounts and reports of financial condition and operations will be reliable and conform with our requirements.

On October 31, 1950, the carriers subject to our accounting regulations were as follows:

Electric lines.....	54
Express company.....	1
Freight forwarders.....	56
Holding companies.....	4
Motor carriers.....	¹ 2, 309
Pipelines.....	69
Protective service companies.....	8
Sleeping car company.....	1
Steam railroads, class I.....	110
Steam railroads, other.....	276
Switching and terminal companies.....	90
Stockyards.....	19
Water lines.....	177
Miscellaneous affiliated companies.....	139
Joint terminal companies.....	83
Total.....	3, 396

¹ Decrease under previous year due to change in classification limits from \$100,000 to \$200,000.

In addition to the foregoing companies, which are subject to our accounting regulations, there are a large number of small carriers for which no regular accounting system has been prescribed, although they furnish simple financial statements in their reports to us.

ACCOUNTING AND DEPRECIATION

During the year we issued 72 orders related to accounting matters as follows: Modification of the uniform systems of accounts, steam

roads, 1; water carriers, 1; freight forwarders, 1; motor carriers, 3; sleeping car company, 1; and depreciation rates for various carriers, 65. We issued one order prescribing regulations governing the preservation of records for a sleeping car company. In addition nine special authorities respecting records of all classes of carriers were issued. Special rules were issued in 35 cases where the regulations required special approval or other action by us. These special rules covered a wide range of subjects, such as accounting for recapitalizations as a result of reorganizations, mergers, and consolidations, abandonments of property due to discontinuance of service; deferred maintenance; additional income tax assessments or refunds of overpayments; and capital gains or abnormal losses.

The regulations which we issued during the year governing the preservation of records for a sleeping car company are a revised issue of such regulations for that class of company and requires that documents and records be retained for specified periods of time so as to insure availability of data which might be needed by us or other Government agencies in the future. Similar rules are in effect for other classes of carriers subject to our jurisdiction. A uniform system of accounts for The Pullman Co. was also prescribed by us arranged on a functional system to conform with the contractual settlement plan between such company and the railroads. Complete revision was made during the year in the uniform system of accounts for certain water carriers under a cooperative arrangement with the Maritime Administration, Department of Commerce, with the result that such carriers will in the future keep only one set of accounts and file the same form of annual report with both Federal agencies and avoid duplication.

A number of important revisions of our accounting rules applicable to railroads dealing with depreciation of track structure, past depreciation of railroad property, and showing of original cost in the financial balance sheet, which have an important effect on the financial reports of these carriers, have continued to receive our attention. Studies also are in progress in connection with the accounting of carriers for payments made for equipment owned by insurance companies and leased to railroads for long periods of years.

We now have in progress a general revision of our uniform system of accounts for motor carriers of passengers, modifying the original issue of 1937, which was prepared soon after we were given jurisdiction of such carriers. The new rules will be based on our recent studies of conditions in this industry and will be devised to more adequately meet our requirements. We also have in progress a series of accounting rules and interpretations which will be released to motor carriers

to assist them in applying our uniform system of accounts and insure accuracy in their reports to us.

The review of the depreciation reserves accumulated for equipment (rolling stock) in the accounts of railroads has been continued since our last annual report to determine the adequacy or inadequacy of the amount set aside from earnings to take care of units which will wear out and must be retired from service and replaced. This analysis and review during the year covered the reserves of 72 class I steam railroads. We issued 50 orders prescribing or modifying depreciation rates for steam railroads; 15 orders for water carriers, and 3 orders for pipelines, a total of 68 orders covering depreciation rates. Issuance of additional orders is in process.

Our program inaugurated last year for a continuing analysis of the proper depreciation rates and reserves for class I motor carriers, involving more than 2,000 such carriers, to insure that the depreciation charges made against operations are reasonable, has been continued throughout the current year, as such charges are an important factor in our rate-making work. We initiated correspondence and discussions with over 800 of these motor carriers with the objective of bringing about adjustments, and the result, so far, is that 196 carriers have adjusted their annual charges for depreciation. Adjustments in 400 additional cases to a more accurate basis are in process or under consideration. A review of depreciation rates being used currently by pipeline companies has been deferred because of other more pressing work.

The volume of work performed in connection with transactions between motor carriers involving reorganizations, mergers, consolidations, purchases, acquisition of and change in control, security issues, and transfer of operating rights, pursuant to sections 5, 212 (b) and 214 of the act, together with petitions to change capital structure and checking of annual reports for adherence to our reports and orders in finance cases continued to be heavy the same as last year. During the year this phase of the Bureau's work required, among other things:

Review of accounting and financial matters for 377 final reports under sections 5 and 214.

Preparation of 72 accounting and financial analyses of applications pursuant to section 5 for use of the examiners in conducting hearings and drafting final reports and orders thereon.

Review of accounting and financial matters in 1,911 applications filed pursuant to the provisions of sections 5 and 212.

Review and approval of 395 sets of journal entries required by our orders in sections 5 and 212 (b) proceedings.

Petitions of 11 carriers were approved for changes in their capital structure.

FIELD SERVICE

The combined gross revenues of all carriers subject to our jurisdiction is about \$15 billions per year, including about \$4 billions for motor carriers, with frequent applications for operating permits coming from new carriers inexperienced in our regulations. Continuous inspections of the accounts and reports of all classes of carriers, and particularly the new motor carriers, are necessary to insure reliability in the records which are essential in our regulatory work and in the figures released by us for the use of the public. Our objective is to make periodical on-the-ground inspections of carriers' accounts supplemented by a general survey in our Washington office of reports filed with us by carriers. This work continued during the year.

Motor carriers, water carriers, and freight forwarders, with gross revenues of less than \$100,000 per annum have not been required to keep their accounts under a system prescribed by us, although such carriers are required to file a simple annual report form. There are approximately 20,000 motor carriers, 150 water carriers, and 33 freight forwarders thus exempted from keeping uniform systems of accounts.

During the year, in recognition of the changing value of the dollar, we increased this amount to \$200,000 per annum thereby exempting from our accounting requirements several hundred small motor carriers which would otherwise be required to apply and observe our uniform rules.

The field staff conducted 1,085 regular investigations of carriers' accounts, consisting of 715 motor carriers and 370 all other classes of carriers. In addition, the field staff conducted 131 special investigations of accounts and records involving violations of motor-carrier regulations, security issues, matters relating to ownership and control, leasing arrangements, and similar undertakings.

The data on operating results and financial condition of motor carriers shown in their quarterly and annual reports filed with us are regularly used in connection with our rate-making work and in the handling of applications for mergers, consolidations and other regulatory functions. The accuracy of these reports is therefore a matter of much importance to us. During the year, our Washington office staff examined the reports and after correspondence with the reporting carriers made many corrections in the data as originally submitted.

The following table shows the number of quarterly and annual reports received and examined during the year:

Kind of report	Received	Examined
Quarterly reports—passenger.....	1,192	1,194
Quarterly reports—property.....	9,103	9,185
Annual reports—property and passenger.....	3,089	3,369

¹ Includes reports on hand Nov. 1, 1949.

COST-FINDING SECTION

The section published the following studies during the year:

1. *Rail Carload Cost Scales by Territories as of January 1, 1949.*—

The costs shown in the study were based on all class I rail carriers' operations in 1947 with wages and prices adjusted to the level of January 1, 1949. The study shows the estimated costs by types of cars, by weights of net load, and by lengths of haul.

2. *Percent of Empty to Loaded Car-miles by Class of Equipment and Performance Factors for Way, Through and All Trains Combined.*—

This study shows the percent of empty to loaded car-miles by classes of equipment based on data furnished by all class I railroads for seven test days. The performance factors for way trains included the number of trains operated, the train-miles, the loaded and empty car-miles, the number of loaded cars and the gross-ton-miles. The same data were shown for through trains with the exception of the number of trains and the number of loaded cars.

3. *Rail Carload Cost Scales by Territories as of January 1, 1950.*—

The costs shown in the study were estimated for all class I rail carriers' operations in 1948 with wages and prices adjusted to the level of January 1, 1950, but excluding the effect of the 40-hour week. The study shows the estimated costs by types of cars, weights of load, and lengths of haul.

4. *Simplified Procedure for Determining Cost of Handling Freight by Motor Carriers.*—

This represented a revision of a suggested formula originally presented before the American Trucking Associations, Inc., in Detroit, Mich., May 13, 1948. It was released as a matter of information for carriers, shippers, regulatory agencies and others who may have need of a simplified approach to motor-carrier costs.

5. *Distribution of the Rail Revenue Contribution by Commodity Groups—1948.*—

The purpose of this study was to provide a comparison of carload revenues and costs by commodity classes and groups, and to indicate generally the contribution made by each to the carriers' revenue needs over and above the revenues required to cover the estimated out-of-pocket costs of handling the traffic.

6. *Territorial Studies of Motor Carrier Costs and Operating Performance Factors—New England Territory.*—Estimates of costs were prepared on the operations during 1948 for 78 class I carriers and 8 class II or III carriers. The study shows mileage cost scales for shipments of various weights and, in addition, operating performance factors. The development of unit costs for the four groups of class I carriers and the class II and III carriers is also shown.

Work was also performed in connection with 42 formal proceedings before the Commission. In addition to the analyses of cost evidence submitted by other parties, this work involved in some cases the preparation and introduction of evidence by members of this section. Proceedings included charges on small shipments by railroads and motor carriers, the investigation of pickup and delivery services performed by railroads and motor carriers, express rates and charges, rail divisions, commutation fares, bus fares, and other matters involving rail, motor, and barge rates on individual commodities.

Cost data were submitted to the Suspension Board in 832 motor, water, and rail matters. These matters included proposed changes in several thousand individual rates governing a wide range of commodities and movements, and in some instances revisions in the general level of rates for an entire rate territory.

The preparation of Nation-wide motor-carrier (freight) cost studies for use in various proceedings and investigations is continuing as rapidly as possible. The release of the New England cost study during the year followed similar studies in the southern, western trunk-line, middle Atlantic, and central territories. A study of the southern territory is under way. This study will cover approximately 75 class I carriers of general freight, and, in addition, a sample group of class II and III carriers. Preliminary plans also have been drawn for the preparation of similar studies in other territories. The carriers in every territory have cooperated to the fullest extent in the preparation of these studies.

A study of waterway costs governing two large intercoastal carriers of general commodities has been completed.

During the year we continued research work along cost lines to simplify the cost-finding procedures and make their application increasingly flexible in order to permit the estimation of costs for a wide range of operating conditions. In addition to the use of these costs within the Commission, there has been an ever-increasing demand for the results of the motor and rail cost studies from other governmental agencies, State regulatory bodies, shippers, carriers, carrier organizations, and research groups.

BUREAU OF FINANCE

Certificates of convenience and necessity, acquisition of control, etc.—During the year ended October 31, 1950, 71 applications were filed for permission to abandon about 886 miles of railroad, 199 miles of operations under trackage rights, and a 33-mile segment of an international ferry operation. The proceedings, in which we rendered 80 decisions, involved the proposed abandonment of about 885 miles of railroad, 88 miles of operations, and the ferry. In 46 of those proceedings, involving 236 miles of railroad, 59 miles of operations, and the ferry operation, no protests or objections were filed by shippers or public authorities. Protests were filed, and hearings held in 34 cases, involving 649 miles of track, and 30 miles of operation. Of the applications protested, we denied 8 in whole or in part, involving 110 miles of lines, and authorized the abandonment of the remaining 539 miles of lines, and 30 miles of operation. We granted one application involving approximately 4 miles of main line for which a substitute line was built, and 79 applications, involving 644 miles of branch lines of class I carriers (for 19 miles of which substitute branch line services were furnished), and 21 miles of trackage rights, and 205 miles of so-called short lines. Of the short-line mileage, 142 miles were abandonments as to interstate and foreign commerce of the entire lines of the applicants, and 63 were portions of such lines. In proceedings in which certificates were issued, covering 505 miles of road, the estimates of average annual losses from continued operations or of future annual savings resulting from abandonment amounted to approximately \$478,156. In proceedings covering the remaining mileage, estimates of losses or savings were not given. Mileage and losses in abandonments of lines on which no service has been rendered in recent years because of the absence of traffic have not been included.

It has been shown in certain cases that the necessary cost of rehabilitation or of bringing up deferred maintenance of tracks which were permitted to be abandoned, aggregating about 268 miles, would require an expenditure estimated at \$2,755,236. Since this amount would necessarily be expended in order to continue operation, abandonment would result in a saving which, to that extent with reasonable accuracy, can be estimated in advance.

Corresponding data are given in our reports beginning with the report for 1934.

In appendix D we have listed the certificates issued, authorizations granted, and pertinent data with respect to proceedings involving the abandonment, construction, and acquisition and operation of lines of railroads under section 1 (18) of the Interstate Commerce Act, and

also consolidation and mergers of carriers, purchases, leases, and contracts to operate properties of carriers by other carriers, acquisition of control through ownership of stock, or otherwise, of carriers by other carriers, or by persons not carriers, and acquisition by carriers of trackage rights over, or joint ownership or use of, railroad lines and terminals of other carriers, under section 5 (2) of the Interstate Commerce Act.

In three cases we authorized transfer of certificates or permits of water carriers under section 312, and four applications were dismissed.

In two proceedings under section 5 (1) of the act we authorized water carriers to pool their services and divide their gross earnings in the transportation of automobiles and other motor vehicles by water from Detroit, Mich., to Duluth, Minn. In connection with the unification and joint use of freight facilities at Houston, Tex., authorized in *Houston Belt & Term. Ry. Co. Control*, 275 I. C. C. 289, we approved an arrangement by the so-called using lines for the pooling of demurrage and the division of the gross earnings therefrom.

In our annual reports for 1943 and subsequent years we recommended that section 5 (2) (b) be amended by removing therefrom the requirement that hearings be held in all cases where carriers by railroad were involved. By the act of August 2, 1949, the second sentence of section 5 (2) (b) was amended by adding after "by railroad involved" the words "unless the Commission determines that a public hearing is not necessary in the public interest." During the year we found that public hearings were not necessary in 29 out of a total of 40 proceedings involving 66 applications under section 5 (2), thus relieving the Government and the carriers of the expenditure of considerable time and money.

Controlling persons.—During the year we held that certain individuals and several corporations which controlled common carriers and proposed to acquire control of an additional carrier, were subject to our jurisdiction under section 5 (2)–(4) and authorized them to acquire control of additional carriers. See Finance Docket No. 16827, *Arkansas & Ozarks Railway Corporation Securities*, Finance Docket No. 16880, *Cedar Rapids & Iowa City Ry. Co. et al. Purchase, etc.*, Finance Docket No. 16809, *Cambria & I. R. Co. Control*, 275 I. C. C. 360; Finance Docket No. 16862, *Coastwise Line et al. Purchase, etc.*, and Finance Docket No. 16909, *Pacific Coast Direct Line, Inc., Control*. In these proceedings we did not deem it necessary to subject the controlling persons or corporations to the provisions of the act relating to accounting, annual reports, et cetera, but provided for the filing of such special reports as we may hereafter require. In *Cambria & I. R. Co. Control*, *supra*, among other things, we found that nothing in that proceeding indicated that, if the application were approved,

the relationship of the Bethlehem Steel Corp. and its subsidiaries would involve a violation of section 1 (8) of the act as interpreted by the United States Supreme Court, if that relationship, as described in our report, is maintained. The Bethlehem was authorized to acquire control of the carrier through ownership of 60 percent of the capital stock thereof. The remaining 40 percent of the stock is owned by an affiliated company of the New York Central Railroad Co.

Railway employees.—The procedure for the imposition of conditions for the protection of employees who may be affected by transactions authorized under section 5 (2) and abandonment of lines of railroad, as explained in our 1946 annual report, have been followed during the past year.

In *New Orleans Union Passenger Terminal Case*, 267 I. C. C. 763, among other things, we held that in a proceeding under section 5 (2) of the act we had no authority to prescribe any period for the protection of employees other than that stated in section 5 (2) (f), namely "4 years from the effective date of such orders." However, in *Railway Labor Executives' Assn. v. United States*, 339 U. S. 142, the Supreme Court of the United States held that we do have the power to protect the interests of railroad employees beyond the 4 years. We have reopened our proceeding for reconsideration and for further hearing for the receipt of evidence as to an arrangement for employee protection consistent with the opinion of the Court. The assignment of a date for the hearing has been deferred at the request of the parties to await the outcome of their negotiations with respect to the subject matter.

Interlocking directorates.—During the period covered by this report, we received 168 applications from individuals, and 3 from carriers. Disposition was made of 168 applications, all of which were granted.

Issuance of securities and assumption of obligation.—During the year we authorized under the provisions of sections 20a and 214 the issue of securities for refunding maturing obligations, for refinancing other unmatured securities bearing higher rates of interest, for new money to be used for various corporate purposes and for the purpose of effecting mergers, reorganizations, and financial readjustments.

The assumption of obligation and liability in respect of the securities of others, consisting largely of equipment-trust certificates and the securities of subsidiaries, has been authorized. Several hearings have been held with respect to various issues and assumptions. A statement of the amount of securities involved and the purposes to which they applied will be found in appendix D.

In our five preceding annual reports we discussed the matter of the sale of railroad securities under the provisions of our report *In Re Competitive Bidding in Sale of Securities*, 257 I. C. C. 129, and the

filing of special applications for exemption from the competitive-bidding requirement. During the past year no separate application for exemption was filed. Requests for exemption from the competitive bidding requirement were made in connection with three applications filed under the provisions of section 20a during the year and one filed during the preceding year, all of which were granted. The table in appendix D shows the results of all bond sales under competitive bidding during the past year, together with certain pertinent data. The principal amount of such bond sales was \$176,500,000 and in addition \$293,459,000 of equipment obligations were sold in this manner.

BUREAU OF FORMAL CASES

The formal complaints filed numbered 415, of which 305 were original complaints and 110 subnumbers, an increase of 48 as compared with the previous period. We decided 326 cases, and 124 have been dismissed by stipulation or on complainants' request, making a total of 450 cases disposed of, as compared with 364 during the previous period.

Approximately 19 formal and investigation and suspension cases have been reopened for further hearing and reconsideration.

We conducted 483 hearings and took approximately 97,443 pages of testimony, as compared with 441 hearings and 73,792 pages of testimony, during the previous period.

The following statement shows certain facts with respect to the condition of the docket as of October 31 of the years indicated:

	1947	1948	1949	1950
Formal complaints filed.....	224	224	303	305
Subnumbers.....	45	22	64	110
Investigation and suspension cases instituted.....	99	71	107	146
Cases under submission at end of period:				
Regular docket.....	61	33	35	54
Shortened and modified procedure.....	14	13	19	29
Cases disposed of, including subnumbers and reopened cases.....	414	441	392	467
Number of cases pending.....	540	489	622	678
Additional proceedings disposed of by formal reports:				
Fourth-section applications.....	26	42	35	30
Ex parte proceedings.....	13	12	14	16
Railway Labor Act (electric railway dockets).....	1		1	
Water-carrier applications.....	46	33	15	9
Freight-forwarder applications.....	7	6	10	8
Section 5a applications.....			1	4

SHORTENED AND MODIFIED PROCEDURES

Approximately 46 percent of the total number of formal complaints are now handled by the shortened and modified procedure methods as compared with 31, 43, and 43 percent during the three preceding years. In the cases so handled and decided during this year, the average elapsed time to reach a decision was 413 days from the receipt

of the complaint and 237 days from the receipt of the final memorandum. The corresponding periods during the three preceding years were 414 and 260 days, 332 and 189 days, and 393 and 229 days, respectively.

BUREAU OF INFORMAL CASES

The number of informal complaints filed under parts I, III, and IV of the act was 2,318, an increase of 765 as compared with the preceding year. The number of such complaints disposed of was 1,900. In a large number of the complaints numerous reductions in rates were secured, refunds of overcharges were made to shippers and passengers on account of the exaction of charges in violation of section 6 of the act, and damages were paid by carriers to shippers as the result of misrouting shipments by the carriers. Many claims also were paid by the carriers for damage caused by them in mishandling freight.

Rail carriers filed 3,466 special-docket applications for authority to refund amounts collected under the published tariffs and admitted by them to have been unreasonable, a decrease of 1,947. Orders authorizing refunds were entered in 3,937 cases, an increase of 1,052, and reparation thereunder was awarded in the sum of \$1,483,255.02. In addition, 337 special-docket cases were dismissed or disposed of without orders. The Bureau also received approximately 14,000 letters, many of which had the characteristics of informal complaints although not classified as such, an increase of approximately 2,000 letters over the prior year.

During the year the following orders were issued:

Order of February 28, 1950, entitled "Petition of rail carriers parties to Agent Marsh's tariffs I. C. C. 3718, 3555, and 3707 for authority to adjust charges on carload shipments of grain and grain products moving during the period May 15, 1946, to April 14, 1947, both dates inclusive."

Order of February 28, 1950, entitled "Petition of rail carriers parties to Agent Marsh's tariffs I. C. C. 3718, 3555, and 3707 for authority to adjust charges on carload shipments of grain and grain products moving during the period May 15, 1946, to May 2, 1948, both dates inclusive."

These orders, general in character, directed the carriers to make reparation on shipments covered thereby. It is estimated that had the usual special-docket procedure been followed, the Commission would have had presented to it at least 1,500 additional applications. These orders, therefore, resulted in considerable savings in time and money to shippers and carriers, as well as to the Commission.

Through the medium of adjustments obtained on the special-docket and informal complaint procedure, the time and expense of a

formal complaint and hearing are avoided. Some of the orders on the special-docket covered complaints originally submitted on the formal docket.

The Bureau assists interested parties in adjusting their rate and other transportation difficulties through the medium of informal conferences and by correspondence. Efforts are made to have complainants and defendants in appropriate cases submit their problems for handling through this inexpensive informal procedure. Litigants should avail themselves of this method of procedure wherever practicable with the view to saving time, effort, and expense.

BUREAU OF INQUIRY

This Bureau is engaged principally in the enforcement of the criminal and penal provisions of parts I, III, and IV of the Interstate Commerce Act and related statutes. Field investigations are conducted by special agents to determine whether violations of the statutes have been committed by railroads, water carriers, freight forwarders, or shippers. These investigations are made by the special agents under the direction of attorneys who analyze the evidence so procured and make recommendations as to the disposition of the cases. When prosecution or other court action is warranted, the cases are prepared for submission to the United States attorneys who, with the assistance of our attorneys, present them to the courts.

The attorneys and special agents of this Bureau are called upon from time to time to assist in gathering data for use in formal-docket proceedings. They participate in the hearings after the field work has been concluded, the attorneys acting as counsel representing the public interest and the special agents offering oral testimony to supplement other evidence.

Approximately 115 investigations of alleged statutory offenses, in addition to those relating for formal-docket proceedings and other matters, were conducted during the year.

Investigations of alleged violations of demurrage tariffs comprised the greater portion of the work of field forces during the year. An investigation at Superior, Wis., involving the failure of five railroads to assess and collect demurrage charges, resulted in prosecution of the carriers and a large fuel company. Informations in 20 counts against the shipper and in 10 counts each against the 5 railroads were filed in the western district of Wisconsin. Pleas of *nolo contendere* were entered to three counts by the defendants and fines in the amount of \$3,000 were imposed on each. Another demurrage case, in the eastern district of Missouri, resulted in pleas of *nolo contendere* and the imposition of a fine of \$6,000 upon one railroad, and a fine of \$3,000 on another. The defendants had been charged with the granting of

concessions through the device of failing to collect demurrage charges from a large receiver of grain at St. Louis, Mo., in violation of section 1 of the Elkins Act. Cases are pending in the District Court for the Eastern District of Wisconsin against a large manufacturer of farm machinery and three rail carriers serving the plant of this shipper for violation of demurrage tariffs. Informations in 20 counts have been filed against the shipper and in 10 counts each against the railroads. In the northern district of California, southern division, two cases are pending for concessions allegedly granted by a railroad to a transfer and storage company, in connection with the assessing and collecting of demurrage charges. Informations in five counts each have been filed against each defendant.

A large number of complaints involving the false billing of a variety of shipments by improper description of a commodity to obtain lower rates on transportation, or in other unlawful ways to defeat the proper rates, were investigated by this Bureau. It was found that some of the charges involved a question of proper classification which shippers, in many cases, could not determine from the nature of the article and the difficulty of properly describing the shipments under consideration. One prosecution involved the false billing of carload shipments of cheese at net weights instead of gross weights. Informations were filed in the southern district of California, central division, charging the railroad with having granted concessions and the consignee with having received concessions in violation of section 1 of the Elkins Act. Both defendants entered pleas of *nolo contendere*, and were fined \$3,000 each. A similar information in 10 counts is pending in the eastern district of Wisconsin against a shipper, charged with violations of the Elkins Act through underbilling in weight of carload shipments of cheese at net instead of gross weights. Defendant entered a plea of not guilty and the case has been set for trial.

A shipper in Texas was prosecuted for falsely billing fuller's earth, which he described as common clay, taking a lower rate. Charged with violations of the Elkins Act, in five counts, he entered a plea of *nolo contendere* to 1 count, whereupon the court imposed a fine of \$1,000 and dismissed the remaining counts.

In the southern district of Georgia another shipper was prosecuted for falsely billing carload shipments of turpentine and paint-thinning compound. Our investigation developed that the shipper, by understating the weights of carload shipments, obtained the benefit of lower freight charges in violation of section 1 of the Elkins Act. An information in 6 counts was filed, and the defendant entered a plea of *nolo contendere* to one count. The court imposed a fine of \$1,000 and dismissed the remaining counts.

The false billing of mixed carload shipments of merchandise by a shipper in New York, N. Y., constituted the basis of a prosecution in the southern district of New York. Defendant was charged with erroneously describing the shipments so as to obtain the benefit of lower freight charges. An information in one count was filed to which defendant entered a plea of guilty and was fined \$1,000.

One of our agents conducted an investigation at El Paso, Tex., of a complaint alleging that a large importer of carload shipments of oats from Mexico was falsely representing these shipments as intrastate, thereby obtaining the benefit of lower rates on cars consigned to various points in Texas. An indictment in 10 counts, filed in the western district of Texas, was returned against two joint defendants in this case. One of the defendants entered a plea of guilty to one count of the indictment and was fined \$1,000, and the remaining counts were dismissed. The indictment against the other defendant was dismissed on motion of the United States attorney.

Extensive investigations of the practices of freight forwarders at Los Angeles, Calif., led to indictments of 11 defendants in the southern district of California in five counts each, charging unlawful extension of credit by freight forwarders in the collection of freight charges. Pleas of *nolo contendere* to one count were entered by all defendants with the exception of one who entered a plea of guilty. A fine of \$1,000 was imposed in each case and the remaining counts of the indictments dismissed.

Many apparent violations of section 1 (7) of the act relating to free transportation of passengers were disclosed by discrepancies in railroad accounting entries for advertising discovered through examinations of our Bureau of Accounts and Cost Finding. These were confirmed in subsequent investigations by the special agents of the Bureau of Inquiry for the purpose of assembling evidence to be presented in Docket No. 30475, *Unauthorized Free Transportation by Railroads*. An information in four counts was filed against one carrier in the northern district of Alabama charging it with having granted unauthorized free transportation. The defendant entered a plea of *nolo contendere* and was fined \$1,000.

Upon a complaint in the northern district of Illinois under section 1 (17) of the act a penalty of \$100 was assessed against a rail carrier for failure to comply with the Commission's Service Order No. 670, requiring it to unload 20 carloads of freight at the time of a temporary car shortage.

An indictment, in the eastern district of Tennessee, for the falsification of accounts and annual reports of a small railroad was brought against the carrier's auditor. He entered a plea of *nolo contendere*,

received a suspended sentence and was placed on probation for 3 years.

Several investigations of the practices of freight forwarders at New York City revealed that one carrier had been giving shippers and consignees the benefit of free loading and unloading services, respectively, without assessing charges for these services provided by tariffs. Informations in 10 counts against the railroad and in five counts against the consignee were filed in the southern district of New York, charging the carrier with giving and the consignee with receiving concessions. The railroad was fined \$1,000 on a plea of guilty to one count of the information and the remaining counts were dismissed. The information in five counts against the consignee was dismissed. Informations are pending in the same district against the same carrier and a freight forwarder charging the railroad company with granting concessions by performing free loading services and the forwarder with accepting such concessions in violation of the Elkins Act.

An indictment of 15 counts is pending in the southern district of Florida against a shipper of fresh vegetables, charged with knowingly failing to specify on bills of lading and shipping orders the full amount of top ice placed in refrigerator cars at points of origin in violation of section 1 of the Elkins Act.

During the year three attorneys were assigned to represent the Commission in 15 of its formal docket cases.

For violations of the Interstate Commerce Act and related statutes one indictment was returned and 14 informations were filed. Thirty cases were concluded in the district courts, which resulted in the imposition of fines and penalties totaling \$50,100, all of which were paid.

Prosecutions instituted or concluded had their venue in the following States: Alabama, California, Georgia, Illinois, Missouri, New York, Tennessee, Texas, and Wisconsin.

A summary (a) of the disposition during the year of indictments returned and informations and complaints filed in the United States district courts, and (b) of cases pending in those courts October 31, 1950, is set forth in appendix A.

BUREAU OF LAW

On October 31, 1949, there were pending in the courts 43 cases involving our orders or requirements. During the year 22 cases were instituted and 27 were concluded, leaving 38 cases now pending. Of these, 3 are in the Supreme Court of the United States, 1 is in the Court of Appeals for the Tenth Circuit, and 34 are in the district courts.

Thirteen cases were submitted and decided by the Supreme Court, 12 were concluded in the district courts, one was concluded in a State court and one in the United States Court of Appeals for the District of Columbia.

Summaries of all the foregoing cases are shown in appendix B.

The cases decided by the Supreme Court were:

United States v. Capital Transit Co. (two cases—consolidated)
338 U. S. 286.

On November 14, 1949, in a *per curiam* opinion, the Supreme Court sustained our two orders of May 9, 1947, and July 7, 1948, in *Passenger Fares Between District of Columbia and nearby Virginia*, 270 I. C. C. 651, wherein we declined to permit the Capital Transit Co. to revoke concurrences in tariffs containing joint fares between the District of Columbia and nearby Virginia points, and required the company to establish, maintain, and apply joint fares with the Virginia bus companies. This decision followed largely the prior decision of the Supreme Court in 325 U. S. 357.

In the instant case the Court said (p. 289):

After our holding the Commission entered a new order putting into effect the rate order we had sustained. In the present cases, here on appeal from a three-judge District Court under 28 U. S. C. §§ 1253 and 2101 (b), the new order was enjoined on the ground that Transit's transportation, which we had held to be interstate, had now become "intrastate". On the same ground, that court also held that Transit was exempt from Commission jurisdiction under the proviso in § 216 (e). The District Court also cited to support its ruling our recent decision in *United States v. Yellow Cab Co.*, 332 U. S. 218.

The District Court apparently took the position that changed conditions since our decision in the prior *Transit* case had deprived the Commission of its jurisdiction. When we sustained the Commission's order in that case, Transit was itself operating one of the four bus lines carrying Government workers from the District central business area to Virginia. It issued transfers to passengers on its busses and streetcars between the District business and residential areas. These transfers were good for rides on Transit's own District-Virginia busses, but Transit would not give transfers good on the three competitive lines. We adverted to and relied on this situation as one of the reasons supporting the Commission's requirement that Transit make similar arrangements for through fares with the other lines. April 1, 1947, Transit abandoned its District-Virginia bus line. Because of this the District Court held that since that date all of Transit's carriage of Virginia-bound passengers has been "intrastate transportation."

The District Court's annulment of the Commission's order on the above ground cannot stand. Our previous holding was that all of Transit's intra-District carriage of passengers bound to and from the Virginia establishments was part of an "interstate" movement and therefore subject to Commission regulation throughout, upon proper Commission findings. *United States v. Yellow Cab Co.*, *supra*, does not conflict with our prior holding that Transit's transportation was part of a continuous stream of interstate transportation. We adhere to that holding. Transit's intra-District streetcar and bus transportation of passengers going to and from the Virginia establishments is an integral part of an interstate movement.

The judgments of the district court in these cases were reversed and remanded with directions to dismiss the actions.

Chief Justice Vinson and Justices Reed and Jackson joined in a dissenting opinion.

Lynchburg Traffic Bureau v. United States, 338 U. S. 864.

On November 7, 1949, in a *per curiam* opinion, the Supreme Court granted our motion to affirm and sustained our report of November 10, 1948, in *Minimum Rates on Rail Traffic Between North and South*, 273 I. C. C. 33, involving the reasonableness and lawfulness of tariff rates on interterritorial class-rate traffic between the North and the South, both carload and less than carload, applicable to transportation by railroad or partly by railroad and partly by water, including minimum rates on gateway or border points. Our action was sustained by the district court for the Western District of Virginia, 84 Fed. Supp. 1012, and the Supreme Court, by its action of November 7, affirmed that decision.

United States v. Pacific Coast Wholesalers' Association, 338 U. S. 689.

On February 6, 1950, in a *per curiam* opinion, the Supreme Court affirmed the decision of a three-judge district court setting aside our order of December 18, 1947, in Ex Parte 160, *Pacific Coast Wholesalers' Assn., Investigation of Status*, 269 I. C. C. 504, in which we found plaintiff to be a freight forwarder within section 204 (a) (5) of part IV of the act. In an earlier decision, 264 I. C. C. 134, we had found the operations within the exemptions referred to, and held they could be continued without obtaining authority from us. In the later decision we reversed our position as it applied to shipments on f. o. b. destination or delivered price basis. 269 I. C. C. 504.

The Court concluded: There is nothing in the language of the act or the legislative history to suggest that Congress intended the exemption to turn on the type of shipment which was involved, whether f. o. b. origin or f. o. b. destination (delivered price). On the contrary, it is clear that the nature of the relationship between the members and the group was thought to be determinative. Under that test the valid claim of the association to the statutory exemption is established by our original decision.

Burton v. United States, 338 U. S. 946.

On February 6, 1950, in a *per curiam* opinion, the Supreme Court granted our motion to affirm (not joined in by the United States) and affirmed prior to oral argument our orders of September 28, 1944, 259 I. C. C. 64, and December 5, 1945, 263 I. C. C. 799, in *Burton Co. v. Pennsylvania R. Co.*, finding not unreasonable freight charges based on carload minima for cars furnished in lieu of minima for cars of size ordered on shipments of road scrapers from Highland Park,

Iowa, to Keller, Pa., thus affirming the action of the district court, which had sustained our order.

Railway Labor Executives' Assn. v. United States, 339 U. S. 142.

On March 27, 1950, the Supreme Court set aside our order in *New Orleans Union Passenger Terminal Case*, 267 I. C. C. 763, thus reversing the decree of the three-judge district court, 84 Fed. Supp. 178. This case involved the construction of section 5 (2) (f) of the act which provides that as a condition of our approval of any application under section 5 (2) of any transaction involving a carrier or carriers by railroad, we are to require a fair and equitable arrangement to protect the interests of the railroad employees affected. The precise point in question was whether the period of 4 years specified in paragraph (f) should run from the effective date of the order. The Supreme Court in construing the act held that the limitation of 4 years should be held to be the minimum of relief for the employees, and that our interpretation of this statute although entitled to weight, is not persuasive. Our present view of our authority was held to be out of harmony with the broad view of section 5 (4) (b) approved in *United States v. Lowden*, 308 U. S. 225.

In conclusion the Court said:

We conclude, therefore, that the Commission while required to observe the provisions of the second sentence of section 5 (2) (f) as a minimum protection for employees adversely affected, is not confined to the four-year protective period as a statutory maximum. The Commission has the power to require a fair and equitable arrangement to protect the interests of railroad employees beyond four years from the effective date of the order approving the consolidation.

The Court remanded the case to the District Court with instructions to remand it to us for further proceedings in conformity with the opinion of the Court.

Justice Jackson dissented on the ground that resort to legislative history to vary the terms of the statute is not justified in this case. Justices Frankfurter and Reed joined in a dissenting opinion.

O. C. Wiley & Sons, Inc., v. United States, 338 U. S. 902.

On December 19, 1949, in a *per curiam* opinion, the Supreme Court granted our motion to affirm, sustaining our report of June 18, 1948, in docket No. MC-F-3774, *Fleming, J.—Purchase—Stuart Lumber Corp.*, 50 M.C.C. 823, approving the purchase by Fleming of the operating rights of the Stuart Lumber Corporation. The lower court (85 Fed. Supp. 542) held that we are not required to wait before approving sale and transfer of a motor carrier's operating rights to another carrier until determination of a third party's right under an alleged prior contract to purchase the same rights. In deciding the case *per curiam*, the Supreme Court apparently saw no reason for further review of this judgment.

Holmes v. United States, 339 U. S. 927.

On April 3, 1950, in a *per curiam* opinion, the Supreme Court granted our motion to affirm, and sustained our report and order by division 4, dated December 9, 1948, in Finance Docket No. 16147, *Macon, D. & S. R. Co. Bond Modifications*, 271 I. C. C. 376, thus affirming the decision of the district court, 89 Fed. Supp. 894, that this case was not ripe for judicial review until a petition for reconsideration had been filed with the entire Commission, under the provisions of section 17 (9) of the Interstate Commerce Act.

United States v. United States Smelting, Refining & Mining Co., (two cases consolidated) 339 U. S. 186.

On March 27, 1950, the Supreme Court sustained our reports in *American Smelting & Refining Co. Terminal Services*, 270 I. C. C. 359 and *United States Smelting, Refining & Mining Co. Terminal Services*, 270 I. C. C. 385, in which we held that the line-haul began and ended at the interchange tracks, known as "assembly yard" at Midvale, Utah, the plant of the United States Smelting, Refining & Mining Company and the "flat yard" at Leadville, Colo., the plants of American Smelting & Refining Company; that all services beyond these points were excess services not required by the carriers as part of its line-haul carriage, and that the performance of services beyond these points without compensatory charges resulted in preferential service in violation of section 6 (7) of the Interstate Commerce Act.

The Court held that our orders directing the railroads to cease performance of intraplant switching services were valid in that our determination of the convenient points at which line-haul transportation begins and ends is supported by substantial evidence and that such question is for our exclusive determination.

The Court further held that a carrier's definition written in the filed tariffs as to what is involved in the line-haul rates does not affect our right to determine the point at which the transportation service of the carrier terminates. The Court said:

The Commission's authority to determine the point where transportation duty ends and industry convenience begins was upheld by this Court in *United States v. American Sheet & Tin Plate Co.*, 301 U. S. 402. We have repeatedly sustained the Commission in its application of Ex Parte 104 principles to particular plants where it has prohibited the performance of services beyond the point fixed under the line-haul rate. In issuing cease and desist orders in these cases the Commission has acted pursuant to its duty to enforce section 6 (7) of the Interstate Commerce Act, which section prohibits departure from filed tariffs and the rendering of preferential services.

Thus the decision of the lower court was reversed.

The opinion of the Court was by Justice Minton. Justice Jackson dissented.

Emery Transportation Co. v. United States, 339 U. S. 955.

On May 15, 1950, in a *per curiam* opinion, the Supreme Court granted our motion to affirm and sustained our report and order of March 14, 1949, in I. & S. Docket No. MC-2854, *Soap and Toilet Articles, Emery Transp. Co.*, 49 M. C. C. 176, finding unlawful plaintiff's proposed schedules of motor contract carrier minimum rates on soap and toilet articles and requiring cancellation thereof.

The lower court (91 Fed. Supp. 644) held that the plaintiff may not join or tack together two separately granted contract-carrier permits so as to perform through transportation service, thus sustaining our holding in docket No. MC-C-1009, *Service of Contract Carriers*, 49 M. C. C. 103.

Henderson v. United States, 339 U. S. 816.

In this case the Supreme Court reversed the lower court (80 Fed. Supp. 32), which sustained our report and order of September 5, 1947, in *Henderson v. Southern Ry. Co.*, 269 I. C. C. 73, in which we held that the modified rules of the railroad which provided for the reservation of 10 tables, of four seats each, exclusively for white passengers, and one table of four seats, exclusively for Negro passengers, with a curtain or partition between that table and the other tables, was not in violation of section 3 (1) of the Interstate Commerce Act.

In reversing the district court, the Supreme Court found:

The right to be free from unreasonable discriminations belongs under § 3 (1), to each particular person. Where a dining car is available to passengers holding tickets entitling them to use it, each such passenger is equally entitled to its facilities in accordance with reasonable regulations. The denial of dining service to any such passenger by the rules before us subjects him to a prohibited disadvantage. Under the rules only four Negro passengers may be served at one time and then only at the table reserved for Negroes. Other Negroes who present themselves are compelled to await a vacancy at that table, although there may be many vacancies elsewhere in the diner. The railroad thus refuses to extend to those passengers the use of its existing and unoccupied facilities. The rules impose a like deprivation upon white passengers whenever more than 40 of them seek to be served at the same time and the table reserved for Negroes is vacant.

* * * As was pointed out in *Mitchell v. United States*, 313 U. S. 80, 97, "the comparative volume of traffic cannot justify the denial of a fundamental right of equality of treatment, a right specifically safeguarded by the provisions of the Interstate Commerce Act." Cf. *McCabe v. Atchison, T. & S. F. R. Co.*, 235 U. S. 151; *Missouri ex rel. Gaines v. Canada*, 305 U. S. 337.

That the regulations may impose on white passengers, in proportion to their numbers, disadvantages similar to those imposed on Negro passengers is not an answer to the requirements of § 3 (1). Discriminations that operate to the disadvantage of two groups are not the less to be condemned because their impact is broader than if only one were affected. Cf. *Shelley v. Kramer*, 334 U. S. 1, 22.

The cause was remanded to the district court with directions to set aside our report and order and remand the case to us for further proceedings in conformity with the Supreme Court's opinion.

Justice Douglas concurred in the result.

Norfolk Southern Bus Corp. v. United States, 340 U. S. 802.

On October 9, 1950, the Supreme Court granted our motion to affirm the decision of the United States District Court for the District of Virginia, sustaining division 5's report and order of August 15, 1949, in docket No. MC-67514 (Sub-No. 1), *Virginia Dare Transportation Co., Inc., Extension—Norfolk*, 49 M. C. C. 848 (petition denied by the entire Commission on November 7, 1949), wherein, upon further hearing, we found public convenience and necessity to require (a) operation by Virginia Dare Transportation Co., Inc., as a common carrier by motor vehicle of passengers and their baggage, and of mail, express, and newspapers, in the same vehicle with passengers, at all intermediate points between Norfolk, Va., and Sligo, N. C., on Highway 170; and (b) removing from Virginia Dare's present certificate a closed-door restriction preventing service between Norfolk, Va., on the one hand, and points on applicant's present routes between Sligo and Elizabeth City, N. C., on the other.

Other decisions of interest to us in connection with our work were: *Schmidt v. War Emergency Pipelines, Inc.*, 338 U. S. 869.

On November 7, 1949, the Supreme Court denied petition for writ of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, reported in 175 Fed. (2d) 335, holding that under section 13 (b) (2) of the Fair Labor Standards Act exempting from overtime compensation provisions any employee of an employer subject to the provisions of part I of the Interstate Commerce Act, employees engaged in checking materials used in construction work before oil was introduced into pipelines fell within the exemption, even though the employer did not own the pipelines but had possession and control and operated them. All construction work merely went to increase the facilities of the pipeline and served only to enlarge the scope of the carrier's corporation activity. The Supreme Court declined to disturb these holdings by denying certiorari.

Reider v. Thompson, Trustee, 338 U. S. 890.

The Supreme Court on December 5, 1949, granted certiorari to review a decision of the Court of Appeals for the Fifth Circuit, 176 Fed. (2d) 13, wherein the lower court held that a domestic rail carrier which transported from one point in the United States to another point in the United States, a shipment originating in nonadjacent foreign country and intended for uninterrupted transportation and delivery in bond to a particular destination within the United States, is not liable to shipper under the Carmack amendment, section 20 (11) of the Interstate Commerce Act, for damages to the shipment, even though it issued bill of lading covering a portion of the transportation from the port of discharge to the ultimate destination.

The Supreme Court held that the carrier was liable to the owner under the provisions of the Carmack amendment for damages discovered on arrival at destination, even though the domestic shipment had been preceded by transportation from a nonadjacent foreign country.

The opinion points out that there was no through bill of lading from the foreign country to Boston and that there was no privity between the rail carrier and the ocean carrier, the contract for ocean transportation having terminated at New Orleans. The test is not where the shipment originated but where the obligation of the carrier as receiving carrier originated. Thus the Court finds no significance in the fact that the shipment involved originated in a foreign country, since the foreign portion of the journey terminated at the border of the United States, New Orleans.

Justice Frankfurter wrote a dissenting opinion.

O'Donnell, Administratrix, v. Elgin, Joliet & Eastern Ry. Co., 338 U. S. 384.

The Supreme Court on December 12, 1949, in reversing the Court of Appeals for the Seventh Circuit, affirming a judgment for the defendant in an action brought under the Federal Employers' Liability Act (17 F. (2d) 973), construed the requirements of the Safety Appliance Act requiring couplers which, after a second coupling is affected, will remain coupled until set free by some purposeful act of control. The Court held:

It is hard to think of a coupler defect in which greater danger inheres to workmen, travelers and all to whom the railroad owes a duty, than one which sets cars running uncontrolled upon its tracks. We find it difficult to read the Safety Appliance Act to require that cars be equipped with appliances which couple automatically by impact and which may be released without going between the ends of cars, but which need not remain coupled in the meantime. The Act so construed would guard against dangers incident to effecting an engagement or disengagement while ignoring the even greater hazards which can result from the failure of a coupling to perform its main function, which is to stay coupled until released.

Justice Burton, with whom Justice Reed concurred, dissented.

Casale, Inc., v. United States, 338 U. S. 954.

The Supreme Court on February 13, 1950, denied a petition for writ of certiorari to review a decision of the Court of Claims, reported in 86 Fed. Supp. 167, holding that a company which leases motor vehicles to business concerns and in addition provides or obtains drivers, and pays their wages and is subject to a transportation tax under section 3475 of the Internal Revenue Code, is a "person engaged in the business of transporting property for hire."

Lyle v. Atchison, T. & S. F. Ry. Co., 339 U. S. 913.

On March 13, 1950, the Supreme Court denied a petition for writ of certiorari to review a decision of the Court of Appeals for the Seventh Circuit, 177 Fed. (2d) 221, holding that an employee of a railroad who slipped and fell while working on a locomotive which had completed its run and had been placed in roundhouse for service, may not recover for injuries on the theory that the railroad violated the Locomotive Inspection Act by permitting grease to remain on top step of the ladder on the tender of the locomotive, since the locomotive was not "in use" at the time of the accident so as to bring it within the purview of the Locomotive Inspection Act.

Wong Yang Sung v. McGrath, Attorney General, 339 U. S. 33.

The Supreme Court, in an opinion by Justice Jackson, reversed a decision of the United States Court of Appeals for the District of Columbia, 174 Fed. (2d) 158, which held that the Administrative Procedure Act of June 11, 1946, 60 Stat. L. 237, 5 U. S. C. 1001 et seq., does not apply to deportation hearings. In construing the provisions of the Administrative Procedure Act the Supreme Court held that even though a statute does not require a hearing, if a hearing is necessary to save the constitutionality of the statute, the proceedings are governed by the provisions of the act; that deportation proceedings must conform to requirements of the act if resulting orders are to have validity, and that the Administrative Procedure Act, section 5, does cover deportation proceedings conducted by the Immigration Service.

Justice Reed dissented.

Affolder v. New York, Chicago & St. Louis R. Co., 339 U. S. 96.

In this case the Supreme Court, on March 13, 1950, in a decision by Justice Clark, reversed the United States Court of Appeals for the Eighth Circuit, 174 Fed. (2d) 486, involving a suit under the Federal Employer's Liability Act for an alleged violation of the Safety Appliance Act, in that a coupler failed to couple automatically on impact. The Court of Appeals reversed the decision of the District Court which had awarded a judgment in favor of petitioner in the sum of \$80,000 for the loss of a leg resulting from the violation. The Supreme Court held that the District Court's charge to the jury that plaintiff needed only to prove that the coupler did, in fact, fail to automatically couple, was not error since such failure is in itself an actionable wrong. The Court further held that the amount of the damages awarded "is not monstrous in the circumstances of this case."

Dissents were filed by Justices Jackson, Reed, and Frankfurter.

Texas & Pacific Ry. Co. v. Red River Cotton Oil Co., 339 U. S. 953.

The Supreme Court, on May 8, 1950, denied a petition for a writ of certiorari to review a decision of the Supreme Court of Louisiana, 44 So. (2d) 101, holding that a railroad which placed four cars of copra on a siding on consignee's enclosed private grounds at a point

designated by consignee's employees, is liable to the consignee for fire damage to the shipment, which subsequently occurred prior to expiration of free time for unloading while the copra was still in the cars, since under the uniform bill of lading, railroad's liability is that of an insurer until the expiration of free time for unloading.

Brooks, Administratrix v. St. Louis-San Francisco Ry. Co., 339 U. S. 966.

The Supreme Court, on May 29, 1950, denied a petition for a writ of certiorari to review a decision of the Court of Appeals for the Eighth Circuit, 180 Fed. (2d) 185, holding that an automobile driver's claim against a railroad for injuries received in a grade-crossing accident is not entitled, in subsequent reorganization of railroad under section 77 of the Bankruptcy Act, to priority over claims secured by mortgages.

By denying the petition for writ of certiorari, the Supreme Court declined to disturb the holding of the lower court.

Richardson, Trustee v. National Acceptance Co., 339 U. S. 981.

On June 5, 1950, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Court of Appeals for the Seventh Circuit, 179 Fed. (2d) 1, holding that failure to obtain our approval of a chattel mortgage purporting to cover mortgage carrier operating rights under a certificate of public convenience and necessity, does not preclude mortgage from attaching to such rights, since such a certificate is endowed with a proprietary interest capable of transfer.

By denying the petition for writ of certiorari the Supreme Court declined to disturb the holding of the lower court.

Carter v. Atlanta and Saint Andrews Bay Ry. Co., 338 U. S. 430.

This decision of the Supreme Court, December 19, 1949, involved that section of the Safety Appliance Act requiring railroad cars used in interstate commerce to be equipped with couplers coupling automatically by impact, and in describing the duty imposed upon the carrier by this section, the Court said:

First. Since 1893 the Congress has made it unlawful for a railroad company such as respondent to use any car on its line "not equipped with couplers coupling automatically by impact." This Court has repeatedly attempted to make clear that this is an absolute duty not based upon negligence, and that the absence of a "defect" cannot aid the railroad if the coupler was properly set and failed to couple on the occasion in question. See *O'Donnell v. Elgin, Joliet & Eastern Ry. Co.*, 338 U. S. 384 (1949), and cases cited. The fact that the coupler functioned properly on other occasions is immaterial.

But respondent contends that when the L. & N. car came to rest after the failure of the coupler "its capacity for doing harm was spent." The second movement, it argues, in which the coupling worked perfectly, started a new chain of events resulting in Carter's injury.

Atlantic Coast Line R. Co. v. St. Joe Paper Co., 339 U. S. 929.

On April 3, 1950, the Supreme Court denied a petition for a writ of certiorari in this case, which involved our plan of reorganization concerning the Florida East Coast Ry. Co. under section 77 of the Bankruptcy Act, wherein the Court of Appeals for the Fifth Circuit, with Judge Holmes dissenting, had remanded the proceeding to us to work out "a really fair and equitable plan." In denying the petition for writ of certiorari, the Supreme Court declined to disturb the holding of the lower court. Our decision is reported in Finance Docket No. 13170, *Florida East Coast Ry. Co. Reorganization*, March 25, 1948, 267 I. C. C. 729, and the decision of the Court of Appeals is reported in 179 Fed. (2d) 538.

United States v. Union Pacific R. Co., 339 U. S. 930.

On April 10, 1950, the Supreme Court denied a petition for a writ of certiorari in this suit, which was by the Union Pacific Railroad against the United States to recover compensation for transporting freight on Government bills of lading issued by the Department of Agriculture. The Court of Claims had held (86 Fed. Supp. 907) that such suits were governed by the general 6-year statute of limitations applicable to actions against the Government (28 U. S. C. 2501) and not by the 2-year statute of limitations provided in the Interstate Commerce Act.

Union Pacific R. Co. v. United States, 339 U. S. 942.

In this case the Supreme Court on April 24, 1950, also denied a petition for a writ of certiorari to review a decision of the Court of Claims, 87 Fed. Supp. 957, holding that the United States, using freight rates applicable via one route, is not required under freight land-grant equalization agreement to make land-grant deductions on basis of land-grant mileage in the same route, but is entitled to base deduction on amount of land-grant mileage over another and longer route.

Tex-O-Kan Flour Mills Co. v. Texas & Pacific Ry. Co., 339 U. S. 930.

In this case the Supreme Court on April 10, 1950, denied a petition for a writ of certiorari, thus declining to review a decision of the Court of Appeals for the Fifth Circuit, 178 Fed. (2d) 89, which held that a railroad which hauled grain over its lines from various points near Corpus Christi, Tex., to Galveston, by way of Dallas, where grain was stored in transit and later reloaded and reshipped to final destination for export, was entitled to an extra service charge provided for in item 980-E of Southwestern Lines Tariff No. 61-D, in addition to the regular line-haul rate provided for in item 105-A of said tariff.

Baltimore & Ohio R. Co. v. Hopper Paper Co., 339 U. S. 943.

In this case the Supreme Court on April 24, 1950, denied a petition for a writ of certiorari to review a decision of the Court of Appeals for the Seventh Circuit, 178 Fed. (2d) 179, holding that a railroad which has actual knowledge of freight loss caused by its admitted negligence is liable to a shipper for the amount thereof, notwithstanding the failure of the shipper to file written notice of claim within the time required by bill of lading.

By denying the petition for writ of certiorari the Supreme Court declined to disturb the holding of the lower court.

Commission of the Department of Public Utilities of Mass. v. New York, N. H. & H. R. Co., 339 U. S. 943.

In this case the Supreme Court on April 24, 1950, denied a petition for a writ of certiorari, thus declining to disturb a holding of the Court of Appeals for the Second Circuit, 178 Fed. (2d) 559, that a reorganization plan for the New Haven Railroad, approved by us, which provided for purchase of a leased line with a further provision that the reorganized railroad could discontinue passenger service thereon if losses should exceed a specified figure, did not require the railroad to discontinue passenger service in its entirety, but authorized it to partially discontinue such service, and the fact that the Commonwealth of Massachusetts was given an option under the plan to purchase a portion of the lines in the event the reorganized railroad should elect to discontinue passenger service thereon, does not preclude the railroad from partially discontinuing such service. The lower court had also held that a Commission-approved plan for reorganization of an interstate railroad is not required to comply with State laws.

Ogden Corp. v. Fielding, 340 U. S. 817.

In this case, the Supreme Court on October 9, 1950, denied a petition for a writ of certiorari to review a decision of the Court of Appeals for the Second Circuit, reported in 181 Fed. (2d) 163, holding that a stockholder's derivative suit filed in the United States District Court for the Southern District of New York, which contained an allegation that directors' sale of railroad stock owned by the defendant violated the Transportation Act of 1940, was founded upon a Federal statute despite an additional jurisdictional allegation of diversity of citizenship and was therefore not subject to a New York law requiring shareholders bringing such suits to furnish security to protect the corporation against expenses of suit.

South Western R. Co. v. Benton, 340 U. S. 815.

On October 9, 1950, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Supreme Court of Georgia, holding that a State law which authorizes a lessor railroad, with assent of the majority of its stockholders, to sell its lines to a lessee, impaired the obligation of the contract contained in the charter

granted to the lessor railroad by the State of Georgia in 1845. The lower court had also held that unanimous consent of the lessor railroad's stockholders is required under Georgia law for sale of its properties to reorganizing lessees, and that the lessor railroad and its officers may not join the lessee in an application to us under section 5 of the Interstate Commerce Act for authority and approval of acquisition of the lessor's properties by the lessee.

Texas & New Orleans R. Co. v. Fletcher L. Yarbrough & Co., 340 U. S. 820.

On October 9, 1950, the Supreme Court denied a petition for a writ of certiorari to review a holding of the Texas Court of Civil Appeals, 226 S. W. (2d) 257, to the effect that a railroad is liable for loss of a cotton shipment destroyed by fire on the platform of a compress company's warehouse after the shipper had directed the compress company to deliver the shipment to the carrier and load it for shipper's invoice, and the carrier's agent had delivered the uniform bill of lading to the shipper, since delivery of cotton to carrier became complete upon issuance of its bill of lading. The lower court also held that the railroad's liability as a common carrier is not limited by a tariff provision requiring "owners * * * to load onto or on cars freight for forwarding by rail carriers and to unload from cars freight received by rail carriers, carried at C. L. ratings or rates, except where tariff of carrier at point of origin or destination or stop-over station (as the case may be) provides for loading or unloading of C. L. freight by carrier."

Woods v. New York, Chicago & St. Louis R. Co., 340 U. S. 830.

On October 9, 1950, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Supreme Court of Illinois holding that the trial court's instruction in a Federal Employers' Liability Act suit that, if the jury found that the railroad failed to equip a locomotive tender with a properly focused light and such failure proximately contributed to cause unnecessary peril to plaintiff's life or limb and made the locomotive unsafe to operate, then the jury might find that the railroad violated the Federal Locomotive Inspection Act, constituted reversible error because the railroad, being under no obligation to provide a light on rear of tender, is not liable under the act if a light installed, but not required by that act, is not properly focused.

Woods v. Tuohy, 340 U. S. 830.

On October 9, 1950, the Supreme Court denied a petition for a writ of certiorari to review a holding of the Illinois Supreme Court that plaintiff in a Federal Employers' Liability Act case, whose judgment against a railroad was reversed by an intermediate appellate court, is not entitled to a writ of mandamus from Illinois Supreme Court to

compel intermediate appellate court to expunge judgment of reversal, notwithstanding a contention that the intermediate appellate court misconstrued and failed properly to apply the Locomotive Inspection Act.

Jones v. New York Central R. Co., 340 U. S. 850.

On October 16, 1950, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Court of Appeals for the Fifth Circuit, 182 Fed. (2d) 326, holding that an express company is not liable under the Federal Employers' Liability Act to its injured employee since it is not a common carrier by railroad, and that an employee of an express company, injured while working on a railroad train, is not entitled to the benefit of that act as an employee of the railroad.

Berg v. Schreiber, 340 U. S. 851.

On October 16, 1950, the Supreme Court denied a petition for a writ of certiorari to review a decision of the Illinois Supreme Court, 405 Ill. 528, holding that a shipper's failure to file written notice of a claim with a motor carrier within the 9-month period as required by the Interstate Commerce Act and uniform bill of lading adopted and on file with us, bars the shipper from recovering for damage to goods in transit even though the shipper, after rejecting delivery of the shipment, had orally given a list of rejected items thereof to the carrier's insurance adjuster, which transcribed list without any price figures and requested the shipper to file written proof of loss on forms provided.

BUREAU OF LOCOMOTIVE INSPECTION

The work of this Bureau is shown in detail in the report of the Director, published separately. The report here made is for the fiscal year ended June 30, 1950.

The following tables covering the fiscal years indicated are self-explanatory.

TABLE I.—*Reports and inspections—Steam locomotives*

	Year ended June 30—					
	1950	1949	1948	1947	1946	1945
Number of locomotives for which reports were filed.....	29,743	33,866	37,078	39,578	41,851	43,019
Number inspected.....	66,809	85,353	93,917	94,034	101,869	115,979
Number found defective.....	6,740	7,035	9,417	10,248	11,337	11,975
Percentage inspected found defective.....	10.1	8.2	10.0	10.9	11.1	10.3
Number ordered out of service.....	399	436	654	708	690	506
Number of defects found.....	28,504	28,642	38,855	41,250	56,541	53,367

TABLE II.—*Accidents and casualties caused by failure of some part of the steam locomotive, including boiler, or tender*

	Year ended June 30—					
	1950	1949	1948	1947	1946	1945
Number of accidents.....	169	228	341	360	419	410
Percent increase or decrease from previous year.....	25.9	33.1	5.3	14.1	12.2	11.7
Number of persons killed.....	7	10	15	16	10	20
Percent increase or decrease from previous year.....	30.0	33.3	6.3	160.0	50.0	20.0
Number of persons injured.....	184	243	361	464	439	429
Percent increase or decrease from previous year.....	24.3	32.7	22.2	15.7	12.3	7.9

¹ Increase.TABLE III.—*Accidents and casualties caused by failure of some part or appurtenance of the steam locomotive boiler*¹

	Year ended June 30—							
	1950	1949	1948	1947	1946	1945	1915	1912
Number of accidents.....	59	81	104	116	156	141	424	856
Number of persons killed.....	4	9	14	12	10	13	13	91
Number of persons injured.....	70	94	108	124	165	154	467	1,005

¹ The original act applied only to the locomotive boiler.TABLE IV.—*Reports and inspections—Locomotive units other than steam*

	Year ended June 30—					
	1950	1949	1948	1947	1946	1945
Number of locomotive units for which reports were filed.....	15,719	12,692	9,803	7,805	6,616	6,094
Number inspected.....	42,503	30,684	20,798	13,115	10,908	9,888
Number found defective.....	2,748	1,238	853	633	499	447
Percentage of inspected found defective.....	6.5	4.0	4.1	4.8	4.6	4.5
Number ordered out of service.....	42	20	21	19	17	16
Number of defects found.....	6,325	2,804	1,745	1,442	1,385	1,212

TABLE V.—*Accidents and casualties caused by failure of some part or appurtenance of locomotive units other than steam*

	Year ended June 30—					
	1950	1949	1948	1947	1946	1945
Number of accidents.....	51	49	41	40	38	29
Number of persons killed.....	3	—	—	2	—	1
Number of persons injured.....	50	67	50	41	56	40

INVESTIGATION OF ACCIDENTS AND GENERAL CONDITION OF LOCOMOTIVES

All accidents reported to the Bureau as required by the law and rules were carefully investigated and appropriate action taken to prevent recurrence as far as possible. Copies of published reports of

accident investigations were distributed to interested parties and otherwise used in our effort to bring about a diminution in the number of such accidents.

STEAM LOCOMOTIVES

One hundred and sixty-nine accidents occurred in connection with steam locomotives resulting in 7 deaths and 184 injuries. This represents a decrease of 59 accidents, a decrease of 3 in the number of persons killed, and a decrease of 59 in the number of persons injured compared with the preceding year.

During the year, 10 percent of the steam locomotives inspected by our inspectors were found with defects or errors in inspection that should have been corrected before the locomotives were put into use; this is an increase of 2 percent from the results obtained in the preceding year. Three hundred and ninety-nine locomotives were ordered withheld from service by our inspectors because of the presence of defects that rendered the locomotives immediately unsafe; this is a decrease of 37 locomotives compared with the preceding year. Locomotives found defective were not ordered out of service if such defects did not render them unsafe for the service to which they were put.

EXPLOSIONS AND OTHER BOILER ACCIDENTS

Nine boiler explosions occurred in the fiscal year; all were caused by overheating of the crown sheets due to low water. Four employees were killed in these accidents and 14 were injured. There was an increase of four in the number of boiler explosions and a decrease of three in the number of employees killed compared with the preceding year.

One of the explosions occurred on a locomotive in passenger-train service, three on locomotives in freight-train service, two on locomotives in charge of watchmen and one each on locomotives in switching, mixed and work-train service. The boilers involved in the explosions were not equipped with either fusible plugs or low water alarms.

Absence of a safe water level was known to employees on two of the locomotives prior to the explosions. On one of these the low water level resulted from undetected loss of water through an inadvertently opened blow-off cock which discharged through a muffler located under the locomotive deck. Action to restore water to the boiler had been initiated, but the explosion occurred before a sufficient quantity of water had been fed to the boiler. Subsequently, blow-off mechanisms on all locomotives owned by the railroad on which the explosion occurred were examined, redesigned, and reconstructed

where necessary to prevent repetition of conditions responsible for the explosion.

Fifty boiler and appurtenance accidents other than explosions resulted in injuries to 56 employees. This is a decrease of 26 accidents and a decrease of 24 injuries compared with the preceding year.

EXTENSION OF TIME FOR REMOVAL OF FLUES

Four hundred and seventy applications were filed for extension of time for removal of flues, as provided in rule 10. Our investigations disclosed that in 33 of these cases the condition of the locomotives or other circumstances were such that extensions could not properly be granted. Nine were in such condition that the full extensions requested could not be authorized, but extensions for shorter periods of time were allowed. Twenty-four extensions were granted after defects disclosed by our investigations were required to be repaired. Eighteen applications were canceled for various reasons. Three hundred and eighty-six applications were granted for the full period requested.

LOCOMOTIVE UNITS PROPELLED BY POWER OTHER THAN STEAM

Fifty-one accidents resulting in 3 deaths and injuries to 50 persons occurred in connection with locomotive units propelled by power other than steam. This represents an increase of two in the number of accidents, occurrence of three fatalities, and a decrease of 17 in the number of injured compared with the preceding year.

During the year 6.5 percent of the locomotive units inspected by our inspectors were found with defects or errors that should have been corrected before the units were put into use; this represents an increase of 2.5 percent compared with the results obtained in the preceding year. Forty-two locomotive units were ordered withheld from service by our inspectors because of the presence of defects that rendered the units immediately unsafe; this represents an increase of 22 units compared with the preceding year.

SPECIFICATION CARDS AND ALTERATION REPORTS

Under rule 54 of the Rules and Instructions for Inspection and Testing of Steam Locomotives, 114 specification cards and 2,748 alteration reports were filed, checked, and analyzed. These reports are necessary in order to determine whether or not the boilers represented were so constructed or repaired as to render safe and proper service and whether the stresses were within the allowed limits. Corrective measures were taken with respect to numerous discrepancies found.

Under rules 328 and 329 of the Rules and Instructions for Inspection and Testing of Locomotives Other Than Steam, 3,287 specifications and 1,165 alteration reports were filed for locomotive units and 564 specifications and 257 alteration reports were filed for boilers mounted on locomotive units other than steam. These were checked and analyzed and corrective measures taken with respect to discrepancies found.

APPEALS

No formal appeal by any carrier was taken from the decisions of any inspector during the year.

BUREAU OF MOTOR CARRIERS

Because of the international situation and the program of substantially enlarging our national defense facilities, the adequacy of motor-transportation facilities as reflected in the last report has materially changed. Generally, motor carriers are now transporting quantities of traffic which almost absorb their capacity and in some areas the available facilities have been unable to move all traffic offered without some delays. Present indications are that as the defense program progresses, the amount of traffic which will require motor transportation will increase. In order to cope with the situation and deal with problems as they arise, the field staff has organized industry committees in those localities in which traffic congestion is prevalent in an effort to deal with transportation problems on a local level and for the purpose of advising this Bureau with respect to any problems which cannot be so solved. Military demands may cause shortages of equipment and personnel in the motor-carrier industry. It is our plan to compensate for any such deficiencies by fostering more efficient utilization of facilities and employee training programs. Some delays are being experienced by motor carriers in obtaining new vehicles and spare parts. The Bureau staff will continue to observe this situation in order to advise as to the needs of the motor-transport industry insofar as allocation of materials is concerned to provide equipment and parts necessary to adequate motor-transportation facilities.

Results which have been achieved during the initial stage of the plan to deal with industry problems through committees indicate that much can be accomplished by this procedure.

The financial condition of the carriers remains good, but there have been substantial increases in the cost of labor, equipment, parts, tires, and terminal facilities. There have been some increases in the rates of motor carriers and this, along with more efficient operating methods and practices, has helped their financial condition.

Our staff has continued its activities in the field of safety and, with

the cooperation of motor carriers, carrier associations, insurance companies, and State officials, some progress has been made, particularly with respect to inducing carriers to institute safety programs.

Rules were prescribed to govern motor-vehicle leasing practices in Ex Parte No. MC-43, *Lease and Interchange of Vehicles by Motor Carriers*, 51 M. C. C. 461, but the effective date of such rules has been postponed to permit consideration of numerous petitions which have been filed.

By Public Law 748 of the Eighty-first Congress, approved September 1, 1950, the Commission's jurisdiction was extended to cover traffic moving to and from territories and possessions of the United States insofar as such transportation takes place within the United States. Action is being taken to provide operating authority and applicable regulations to motor carriers which engage in such transportation.

SECTION OF CERTIFICATES

Our annual report for 1937 described in detail the duties of this section. Following are (a) a summary of the status of the various applications handled by this section and (b) a statement showing the number of carriers, other than those operating under temporary authority, whose operations are subject to regulation under part II of the act:

Applications filed since enactment of part II of the Interstate Commerce Act

	Cumulative to Oct. 31, 1949	Received Nov. 1, 1949 to Oct. 31, 1950	Cumulative to Oct. 31, 1950
"Grandfather" applications filed on and prior to Feb. 12, 1936.....	82,776	1	82,777
"Grandfather" applications filed after Feb. 12, 1936.....	6,792	4	6,796
Applications for authority to institute new operations.....	35,635	3,031	38,666
Applications for authority to conduct broker operations.....	1,474	40	1,514
Statements under second proviso of section 206 (a).....	6,631	576	7,207
Applications for temporary authority under section 210a (a).....	34,590	2,157	36,747
Applications for exemption of one State operations under section 204a (4a).....	128	4	132
Extension of temporary authorities under section 9 (b), (5 U. S. C. 1008 (b)).....	12,585	450	13,035
Applications for transfer or lease of operating rights under section 212 (b).....	25,486	1,581	27,067
Applications for transfer or lease of operating rights, or for acquisition of control under section 5.....	4,361	356	4,717
Applications for temporary authority under section 210a (b).....	1,345	88	1,433
Total applications received.....	211,803	8,288	220,091
Applications granted ²	97,738	3,512	101,250
Applications dismissed, withdrawn, denied, or revoked.....	109,996	5,025	115,021
Applications pending.....	4,069	-250	³ 3,820
Total.....	211,803	8,288	220,091

¹ One application previously reported as second proviso section 206 (a) transferred to "Grandfather."

² Certificate, permit, license, or other authority issued.

³ Of the 3,820 applications pending Oct. 31, 1950, 8 are filed under the "Grandfather" clauses of the act, sections 206 (a) and 209 (a), by carriers who claim to have been in bona fide operations on June 1, 1935, as common carriers, or on July 1, 1935, as contract carriers. The carriers filing such applications are authorized by the act to continue operations pending determination of their applications.

Six hundred and sixty certificates, permits, and licenses revoked from Oct. 31, 1949, to Oct. 31, 1950.

The following statement indicates the number of motor carriers and brokers whose operations are subject to regulations under part II of the act. Motor carriers operating exclusively under temporary authority granted under section 210a (a) are not included. The data include some carriers having operating authorities which were authorized temporarily to suspend operations under provisions of the Second War Powers Act, whose operating authorities have been revoked for failure to resume such operations after expiration of that act, March 31, 1947, or for failure to comply with other provisions of the act.

Motor carriers	Cumulative to Oct. 31, 1949	Nov. 1, 1949, to Oct. 31, 1950	Cumulative to Oct. 31, 1950
<i>Property carriers</i>			
Common—issued certificates under sections 206 or 207.....	¹ 15,345	-497	² 14,848
Common—under second proviso of section 206 (a).....	1,890	+19	1,909
Contract—issued permits under section 209.....	2,919	-36	2,883
"Grandfather"—no final authority issued.....	13	-5	8
"Late grandfather"—no final authority issued.....	5	-2	3
Total property carriers.....	20,172	-521	19,651
<i>Passenger carriers</i>			
Common—issued certificates under sections 206 or 207.....	¹ 1,418	+19	² 1,437
Common—under second proviso of section 206 (a).....	152	-5	147
Contract—issued permits under section 209.....	17	+2	19
"Grandfather"—no final authority issued.....	3	-3	0
"Late grandfather"—no final authority issued.....	5	-3	2
Total passenger carriers.....	1,595	+10	1,605
Total motor carriers.....	21,767	-511	21,256

BROKERS ISSUED LICENSES UNDER SECTION 211 OF THE ACT

Property.....	92	+1	93
Passenger.....	94	+7	101
Total brokers.....	186	+8	194

¹ 306 carriers of property and 25 carriers of passengers also conduct some additional operations under the second proviso of section 206 (a).

² 346 carriers of property and 27 carriers of passengers also conduct some additional operations under the second proviso of section 206 (a).

SECTION OF COMPLAINTS

The following table indicates the condition of the docket of the Section of Complaints for the year ending October 31, 1950 (corresponding data for the year ending October 31, 1949, are also given):

	Oct. 31, 1949	Oct. 31, 1950
Applications for common-carrier certificates, contract-carrier permits, brokers' licenses, and certificates of exemption:		
Received for handling.....	3, 105	3, 221
Reopened.....	109	179
Hearings.....	2, 564	3, 119
Under submission at end of period.....	594	559
Disposed of, including reopened proceedings:		
Recalled by section of certificates for further handling.....	65	56
Dismissed.....	432	536
By effective recommended order.....	1, 821	2, 037
By report of the Commission or a division of the Commission.....	853	1, 043
Pending at end of period.....	2, 245	1, 973
Petitions disposed of.....	962	896
Complaints and investigations relating to motor carriers' rates, rules, and practices and investigation and suspension proceedings:		
Formal complaints filed, including subnumbers.....	63	47
Investigation instituted.....	14	11
Investigation and suspension proceedings instituted.....	221	409
Reopened.....	4	7
Hearings.....	96	199
Under submission at end of period.....	15	52
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued.....	128	290
By effective recommended order.....	41	62
By report of the Commission or a division of the Commission.....	36	33
Pending at end of period.....	215	304
Petitions disposed of.....	65	63
Finance applications under section 5 of the act:		
Received for handling.....	344	367
Reopened.....	44	44
Hearings.....	213	221
Under submission at end of period.....	46	62
Disposed of, including reopened, proceedings:		
Dismissed.....	26	29
By report of the Commission or a division of the Commission.....	360	363
Pending at end of period.....	181	200
Petitions disposed of.....	201	243
Temporary authority applications under section 210a (b) disposed of.....	99	98
Proceedings to determine whether holders of certificates, permits, and licenses are complying with the terms of the act, the Commission's orders, rules, and regulations and the terms of their operating authorities:		
Formal complaints filed including subnumbers.....	23	13
Investigations instituted.....	21	38
Reopened.....	5	9
Hearings.....	24	61
Under submission at end of period.....	14	16
Disposed of, including subnumbers and reopened proceedings:		
Dismissed or discontinued.....	14	17
By effective recommended order.....	7	22
By report of the Commission or a division of the Commission.....	10	24
Pending at end of period.....	63	60
Petitions disposed of.....	39	66

SECTION OF INSURANCE

During the past year we have made no changes in our rules and regulations under sections 211 (c), 215 and 403 (c) and (d) governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements as security for the protection of the public required to be filed by brokers, motor carriers, and freight forwarders subject to our jurisdiction, although we do have under consideration the desirability of increasing the limits of the surety bonds and policies of insurance which motor carriers and freight forwarders furnish to cover their liability for the payment of

final judgments recovered against them for bodily injuries to or the death of any persons, or property loss or damage, resulting from negligence in the operation, maintenance, or use of motor vehicles in transportation subject to our jurisdiction. A public hearing on this question was held, and the Section of Insurance was assigned the duty of presenting information at the hearing.

During the year the section received, examined for approval, and filed 50,434 certificates of insurance; 614 surety bonds; 9,452 notices of cancellation of previously filed certificates of insurance and surety bonds; and 1,161 notices rescinding previously filed notices of cancellation or notices reinstating previously canceled surety bonds and certificates of insurance. In addition, 8 applications for approval of qualifications as a self-insurer were received and analyzed, and reported to us with definite recommendations for approval or disapproval. The section also requested, received, and analyzed 123 financial statements from motor carriers previously found by us to be qualified as self-insurers and thereby exempted from the necessity of providing surety bonds or policies of insurance as security for the protection of the public.

There are now on file with us 191 surety bonds executed by and on behalf of brokers of transportation. Security for protection of the public covering legal liability for bodily injury and property damage resulting from negligence in the operation, maintenance, or use of motor vehicles is now being provided by 21,290 motor carriers and 86 freight forwarders. Security covering legal liability to compensate shippers and consignees for loss of or damage to their property is now being provided by 16,800 common carriers of property and 94 freight forwarders.

This section is charged with the duty of keeping us currently informed as to the financial condition, stability, and reliability of the insurance companies which have issued policies to motor carriers and freight forwarders, so that we can determine whether or not the public will be adequately protected under these policies. In respect of surety companies, we rely upon the approval of such companies by the United States Treasury Department under the Corporate Surety Act. During the year, the section reviewed and studied published reports in respect of the financial conditions and stability of 432 insurance companies, of which 152 were required to file complete financial statements.

SECTION OF LAW AND ENFORCEMENT

The status of investigations and litigation during the year is as follows:

Investigations with the view to enforcement action

Pending Nov. 1, 1949.....	599
Added Nov. 1, 1949, to Oct. 31, 1950.....	566
Total requiring attention.....	1165
Closed.....	659
Pending October 31, 1950.....	506
	1165

Classification, according to types of violations involved in investigations added during the year. Each unit represents one or a number of violations of the same type by the same person.

Operating without authority.....	353
Nonobservance of rates and charges on file.....	131
Unification without authority.....	15
Nonobservance of safety regulations.....	209
Insurance requirements.....	32
Accounting requirements.....	29
Miscellaneous.....	33
	802

Court cases	Civil	Criminal	Total
Awaiting institution Nov. 1, 1949.....	5	105	110
Pending in court Nov. 1, 1949.....	18	173	191
Total cases then on hand.....	23	278	301
Cases authorized during year Nov. 1, 1949, to Oct. 31, 1950.....	51	514	565
Total cases requiring attention during year.....	74	792	866
Cases concluded during year Nov. 1, 1949, to Oct. 31, 1950.....	41	542	583
Cases abandoned during year Nov. 1, 1949, to Oct. 31, 1950.....	5	11	16
Total cases disposed of.....	46	553	599
Awaiting institution Oct. 31, 1950.....	4	122	126
Pending in court.....	24	117	141
Total cases on hand Oct. 31, 1950.....	28	239	267

Of the 583 cases mentioned as concluded, 503 involved statutory violations of a criminal nature and resulted in the imposition of penalties totaling \$223,113. The Department of Justice moved for dismissal of 35 cases for various reasons. An acquittal resulted in 4 cases. Appropriate decrees were entered against defendants in 37

of the 41 civil cases concluded. A decree for the defendant was rendered in one case, and the Department of Justice requested dismissal of three civil actions.

Classification by types of offenses charged in court proceedings concluded October 1, 1949, to October 1, 1950. Each unit represents one or a number of counts for the type of offense against one person:

Carrier operating without authority.....	212
Broker operating without license.....	4
No insurance.....	15
Rebates and concessions.....	11
C. o. d. remittances.....	12
Operating without rates.....	10
Failure to observe lawful rates.....	11
Excess on-duty hours.....	33
Excess driving hours.....	42
No doctors' certificates.....	62
Failure to require logs.....	85
Drivers' logs—none or improper.....	157
Defective equipment.....	5
Unqualified drivers.....	5
Failure to report accidents.....	5
Prohibited driving practices.....	1
False hours of service reports.....	12
Drivers falsifying logs.....	58
Failure to file hours reports.....	7
Extension of credit.....	3
Fictitious bill of sale.....	2
Accounting reports and records.....	14
Improper billing.....	7
Failure to issue B/L, F. B. or receipts.....	5
Unlawful control.....	5
Transporting unauthorized passengers.....	2
Leasing of equipment.....	6
Preservation of records.....	1
Failing to properly identify vehicles.....	3
Failing to placard vehicles transporting dangerous commodities.....	1

Attorneys of the bureau, including those assigned to the field staff, participated in 59 administrative hearings conducted by us during the year. Under consideration were such matters as the fitness of applicants to secure new operating authority or to acquire such authority from others; complaints alleging operations or practices in violation of the act; investigations to determine the existence of unlawful control of carriers; and investigations to determine the necessity for new rules and regulations or for changes in or additions to existing ones. In many of these proceedings the issues were quite complex and the testimony voluminous.

An important phase of the work of this section is to prepare opinions on questions arising under part II of the act. During the year there

were handled 1,559 written requests for advice and opinions relating to legal questions, both from within the Commission and from the public. In addition to requests for interpretations, possible redress in informal complaints, the proper compliance with Commission regulations, necessity for operating authority, et cetera, considerable work has been done in reviewing the content of regulations and general orders, prior to their release, for compliance with statutory limitations.

The briefing unit, whose duties were described in our 1944 report, prepared a total of 216 research memoranda and briefs during the year.

SECTION OF SAFETY

During the fiscal year ending June 30, 1950, the section's staff reviewed field investigations of 111 serious accidents involving motor carriers. In many instances critical analyses of these reports were made for the purpose of improving investigation technique and for follow-up work with the motor carriers involved. We have received from the Bureau of Public Roads excellent cooperation in many cases where highway conditions appeared to be a factor in the accidents.

The section received from the field staff during the calendar year 1949 reports of inspections of 9,551 motor vehicles which disclosed 34,438 defects or deficiencies. From January 1 to August 31, 1950, 6,507 such inspections were made with a showing of 21,762 defects or deficiencies. The principal defects concerned fire extinguishers, stop lights, reflectors, parking brakes, and clearance and side marker lamps. The principal deficiencies were lack of spare light bulbs, red flags, and standards, fusees and warning flares.

During 1949, we received for examination 2,961 terminal inspections and 1,092 terminal reinspections; while for the period January 1 to August 31, 1950, 2,492 terminal inspections and 876 terminal reinspections were received. A terminal inspection is made to ascertain compliance of a motor carrier with our safety regulations and the scope or lack of a safety program. Where either is inadequate, instructions are given or recommendations made by the inspecting official. A terminal reinspection is later made to ascertain what the carrier has done with respect to the matters disclosed in the original inspection. The section reviews these reports for the purpose of advising the field staff regarding further action.

Due to reported widespread violation of our regulations governing the construction and operation of tank motor vehicles used to transport flammable liquids and compressed gases, a Nation-wide survey and inspection of such vehicles was conducted. This survey showed that such violations were numerous, and a report based on this survey was prepared and issued to motor carriers, manufacturers, associations,

and the field staff. Appropriate instructions to cease such violations promptly were issued to motor carriers.

The section during the past year has cooperated with the Harvard University School of Public Health which is carrying on a highway transport research project. This project involves a study of the safety factors of bus and truck long-haul operations.

Members of the staff of this section have continued contacts with manufacturers and technical groups for the purpose of furnishing to them information of unsafe designs of vehicles, parts, or accessories which have been revealed by accident analyses. Staff members have participated in various tests of brakes, push-out bus windows, radar speed detectors, et cetera.

Members of the section continue to serve on various committees of national safety organizations and are frequently called upon to act as judges in motor-carrier safety contests. They also serve on committees of the President's Highway Safety Conference and the Federal Interdepartmental Safety Council.

FIELD

The Bureau's field work is performed by staff members located at 79 points which were selected on the basis of the number of carriers and shippers and square miles of territory which could best be reached from such points with a minimum of time spent in traveling.

Each staff member is required to deal with matters affecting safety of operation, insurance for the protection of the public, rate matters, operating authorities, interpretation of the regulations, and enforcement of the provisions of the act.

The foregoing reports of the various sections of the Bureau list the various work items which are handled by such sections. The majority of the items listed receive initial handling by the field staff before being sent to Washington, or receive field handling after they are filed in Washington but before final disposition thereof is made.

The field staff investigated the records and operations of 2,468 carriers for general compliance; made 3,569 terminal inspections which deal with safety of operation; inspected 13,522 motor vehicles; examined 18,943 reports dealing with hours of service of motor-vehicle drivers; and investigated 174 accidents out of a total of 23,137 accidents reported to the Bureau. Due to our limited personnel, only the most serious accidents which resulted in fatalities or major property damage could be investigated. Four thousand five hundred and thirty-nine cases of failure or delay in providing insurance were handled. Two thousand two hundred and fifty-six applications dealing with temporary authority to provide emergency transportation service were handled by the staff in addition to 1,219 regular

or permanent operating authority applications, 2,133 transfer applications, and 831 revocation petitions.

A total of 15,090 complaints were filed with the field staff by shippers and carriers, of which 5,100 were investigated and action taken. Final investigation and recommendation for enforcement action was made in 650 cases.

The field staff interviewed 336,544 persons either by telephone, in person at the field offices, or in the field with respect to matters dealing with the administration and enforcement of part II of the Interstate Commerce Act. In order to perform the work outlined herein, the field staff voluntarily and without compensation worked overtime equal to 3,242 man days.

There are at present 21,558 for-hire motor carriers that are subject to the provisions of the Interstate Commerce Act. Six hundred and thirty-two exempt motor carriers and 1,793 private motor carriers were officially notified that their motor vehicle operations in interstate or foreign commerce are subject to our Motor Carrier Safety Regulations, making a total of 5,582 exempt carriers and 20,635 private carriers that have been so advised to date. It is estimated that there are 24,544 exempt carriers and 98,562 private carriers that have never been notified except through press releases that they are subject to the safety regulations.

BUREAU OF SAFETY

A more detailed report of this Bureau is published as a separate document.

Except as otherwise specified, the report here made is for the year ended June 30, 1950.

SAFETY APPLIANCES

The following table shows the result of inspection of safety appliances, together with corresponding data for the preceding year:

	1950	1949
Freight cars inspected.....	1, 149, 879	1, 072, 219
Percent defective.....	3. 37	3. 21
Passenger-train cars inspected.....	29, 533	27, 481
Percent defective.....	3. 74	3. 28
Locomotives inspected.....	12, 647	12, 044
Percent defective.....	3. 41	4. 12
Number of defects per 1,000 units inspected.....	40. 10	38. 12

During the year, 147 cases of violation of the safety-appliance laws, comprising 454 counts, were transmitted to United States attorneys for prosecution. At the beginning of the year cases comprising 263 counts were pending in the district courts. Judgment was confessed

in cases comprising 434 counts, 4 counts were dismissed, and 13 counts tried, resulting in judgment for the Government in cases comprising 5 counts, for the defendant in a case of 1 count, and 7 counts await decision. The case of one count decided in favor of the defendant was reversed on appeal. Of the six counts decided last year in favor of the defendant, five counts were appealed and the judgment of the district court reversed. The case of one count awaiting decision last year was decided in favor of the Government. On June 30, 1950, cases comprising 266 counts were pending in the district courts.

On October 10, 1949, we issued an order amending our order of September 21, 1945, to the extent that cars of each respondent used in interchange freight service, which are not equipped with the specified power brakes and appliances on December 31, 1949, shall be equipped with such power brakes and appliances, or shall be withdrawn from interchange freight service, in accordance with the following schedule: Where the number of unequipped cars is 2,000 or less, all shall be equipped or withdrawn on or before December 31, 1950. Where the number of unequipped cars is more than 2,000, one-half shall be equipped or withdrawn on or before December 31, 1950, and the remainder on or before December 31, 1951. By order issued October 10, 1950, we extended the above-referred to compliance date of December 31, 1950, to December 31, 1951. The effect of this order is to require that all of the unequipped cars hereinbefore referred to shall be equipped as required, or withdrawn from interchange service, on or before December 31, 1951.

Up to the present time Association of American Railroads' certificates of approval have been issued for 28 types of geared hand brakes—15 vertical wheel types, 10 horizontal wheel types, and 3 lever types.

HOURS OF SERVICE

The following table contains statistics for the year and corresponding data for the preceding year:

	1950	1949
Railroads filing hours-of-service reports.....	667	667
Railroads reporting instances of excess service.....	174	192
Instances of excess service reported.....	7, 157	19, 143

Nine cases of violation of the hours-of-service law, comprising 14 counts, were transmitted to United States attorneys for prosecution. At the beginning of the year, cases comprising five counts were pending in the district courts. Judgment was confessed on seven counts and five dismissed. On June 30, 1950, cases comprising seven counts were pending in the district courts.

SIGNAL SYSTEMS, INTERLOCKING AND AUTOMATIC TRAIN-STOP AND TRAIN-CONTROL DEVICES

According to reports submitted by the carriers, block-signal systems, interlocking and automatic train-stop, train-control, and cab-signal devices were in use January 1, 1950, as follows:

	Plants	Miles of—		Loco- motives
		Road	Track	
Block-signal systems:				
Automatic.....		76,487.7	108,052.0	
Nonautomatic.....		30,012.0	31,189.6	
Total.....		106,499.7	139,241.6	
Interlocking: Number of plants.	4,509			
Automatic train-stop, train-control and cab-signal de- vices:				
Intermittent ¹		6,347.4	11,720.2	5,586
Continuous ¹		4,687.5	9,729.0	5,604
Total.....	4,509	11,034.9	21,449.2	11,190

¹ Listed above are 529 locomotives having dual intermittent-continuous equipment.

Detailed information concerning these installations is contained in the annual statistics bulletin, compiled separately.

During the year, 569 applications for approval of modification of block-signal systems and interlockings were filed by the carriers, and at the beginning of the year action was pending on 119 applications, previously filed; of these, 607 applications were acted upon, 40 were withdrawn, and action was pending on 41 at the close of the year.

On July 1, 1949, two applications were pending for approval of modifications of the rules, standards, and instructions prescribed by our order of April 13, 1939, or for extension of time within which certain sections were to become effective. During the year, 26 such applications were filed, and 28 were acted upon. At the close of the year no applications were pending.

In two cases further extensions of time were granted carriers in connection with applications covering projects which could not be completed within the original time limits allowed by our orders.

During the year public hearings were held on four applications and appropriate action taken.

Monthly signal-failure reports filed by the carriers are summarized in tables 3, 3a, and 3b of the appendix of the Bureau Report, the totals being as follows:

False restrictive failures.....	32,918
False proceed failures.....	143
Potential false proceed conditions.....	12

During the year, inspections were made as follows:

Block-signal systems.....	1, 222
Interlockings.....	2, 413
Automatic train-control and cab-signal devices.....	709
Centralized traffic control systems.....	387
Other similar appliances, methods or systems.....	130
Total.....	4, 861

These inspections have resulted in bringing to the attention of the railroad managements for necessary corrective action a large number of unsatisfactory maintenance conditions which have been found to exist.

Rules, standards, and instructions for installation, inspection, maintenance, and repair of signal systems and appliances were prescribed by our order of April 13, 1939, under the provisions of section 25 of the Interstate Commerce Act. Experience with these rules, standards, and instructions during a period of more than 10 years had shown that some of these rules should be eliminated and others clarified, and in some respects they were incomplete and inadequate to carry out the purposes of section 25. After a series of conferences with interested parties, a notice of proposed rule-making was issued on January 6, 1950, investigation was made, and on June 29, 1950, an order (Ex Parte 171) prescribing revised Rules, Standards, and Instructions for Installation, Inspection, Maintenance, and Repair of Automatic Block Signal Systems, Interlocking, Traffic Control Systems, Automatic Train Stop, Train Control, and Cab Signal Systems and other Similar Appliances, Methods, and Systems, superseding the order of April 13, 1939, was issued. This order became effective October 1, 1950.

No cases of violation of section 25 of the Interstate Commerce Act were transmitted to United States attorneys during the year. Of the eight counts pending last year, seven counts were dismissed and judgment was confessed on one count. There were no cases pending at the close of the year.

INVESTIGATION OF ACCIDENTS

The Bureau investigated 67 train accidents, of which 45 were collisions and 22 were derailments. The collisions resulted in 74 deaths and injuries to 1,159 persons. The derailments resulted in 26 deaths and injuries to 500 persons. The totals were 100 killed and 1,659 injured.

The following information relates to seven of the more serious accidents investigated:

Kind of accident	Trains involved	Number of persons		Cause
		Killed	Injured	
Head-end collision....	Passenger-passenger...	0	235	Switch being opened immediately in front of approaching train.
Derailment.....	Passenger.....	3	29	Excessive speed on curve..
Do.....	do.....	6	77	Wash-out.
Side collision.....	Passenger-passenger...	31	158	Failure to operate train in accordance with signal indications.
Rear-end collision.....	Passenger-engine.....	1	43	Failure to operate following train in accordance with a signal indication.
Do.....	Passenger-passenger...	0	306	Do.
Head-end collision.....	Passenger-track motorcar.	6	0	Failure to provide adequate protection for movement of track motorcar.

GRADE CROSSINGS—RAILWAY WITH HIGHWAY

During the calendar year 1949, there were 3,523 accidents at highway grade crossings, which resulted in the death of 1,507 persons and the injury of 3,774 persons. Automobiles were involved in 3,171 of these accidents, in which 1,307 persons were killed and 3,607 injured. There were 39 derailments of trains as a result of collisions between trains and automobiles, which caused the death of 16 persons and the injury of 46 persons. Of the total casualties resulting from derailments and other train accidents at highway grade crossings, 4 persons killed and 66 injured were railroad passengers, employees, or persons carried under contract. Information concerning accidents of this character, together with comparable statistics for the preceding 2 years, is shown in the following table:

Accidents at highway grade crossings, years ended Dec. 31, 1949, 1948, and 1947

	1949			1948			1947		
	Number	Number of persons		Number	Number of persons		Number	Number of persons	
		Killed	Injured		Killed	Injured		Killed	Injured
Accidents at highway grade crossings.....	3,523	1,507	3,774	3,964	1,612	4,255	4,015	1,790	4,251
Accidents at highway grade crossings involving automobiles....	3,171	1,307	3,607	3,543	1,355	4,054	3,569	1,521	4,055
Derailments of trains as a result of collisions between trains and automobiles.....	39	16	46	50	21	95	61	18	59
Miscellaneous train accidents as a result of collisions between trains and automobiles.....	207	96	111	224	70	99	315	139	193
Automobiles registered..	44,120,243			40,622,264			37,402,230		
Railroad casualties:									
Passengers.....			50		2	42		2	67
Employees on duty.....		10	69		9	73		19	95
Persons carried under contract.....			4		0	11		0	7
Total.....		10	123		11	126		21	169

MEDALS OF HONOR

During the year one application for award of medal of honor was filed and acted upon, based upon the following facts:

To Clarence H. Golden, Jr., a signal helper employed by the Illinois Central Railroad, for the rescue of a disabled woman who had fallen on the track in the path of a switching movement approaching at a speed of 12 miles an hour, at Mayfield, Ky., on May 25, 1949. Mr. Golden saw the woman fall on the track, ran about 40 feet, and pulled her to a point of safety just before the leading car passed that point.

Since the passage of the act, 100 applications have been filed, of which 63 have been awarded medals, and 37 denied.

INVESTIGATION OF SAFETY DEVICES

During the year, plans and specifications of five devices designed to increase safety in railway operation were examined and opinions thereon transmitted to the proprietors or their agents.

BUREAU OF SERVICE

A great many of the activities in which this Bureau has participated are covered in the chapter "Train Service, Car Service, and Car Supply." The effects of the strikes of national importance upon transportation are enumerated in that chapter. However, numerous industrial strikes and unauthorized railroad strikes have had a serious effect upon the economy of the Nation. Principal among these strikes were those of the steel industry, the Chrysler Corporation, the long-shoremen's strike at Galveston and Houston, Tex., the dock workers at Great Lake ports, the General Electric Co., and the strike of the employees of the Railway Express Agency in the Greater New York area.

We have been kept informed of conditions in strike-bound plants and the accumulation of cars at the various industries affected. The greatest number of cars accumulated at any one industry was at the Chrysler plant where about 1,000 cars were seriously delayed.

We have received a great many complaints from all sections of the country because of the inadequate supply of all classes of cars. Serious losses were suffered by watermelon growers in Florida due to a combination of weather conditions and the car shortage. We increased the supply of cars in that territory by securing refrigerator cars to be used while ventilated boxcars were unavailable.

Growers and shippers throughout the entire Grain Belt have protested vigorously their failure to secure sufficient cars to move their products. The lumber producers in Oregon have suffered a serious shortage principally at noncompetitive stations on the Southern Pacific

lines. Although this railroad has for a long period of time consistently had more than 100 percent of its ownership on line, it has only been able to fill from 75 percent to 35 percent of its orders for cars.

Demands greater than the supply of boxcars continue as we approach the period of annual peak loadings. Shortages for the week ended September 23 were not much different from the previous week, averaging 18,758 boxcars per day compared with 18,801. The corresponding week of 1949 presented a much more favorable situation when the shortages averaged only 5,401 cars daily.

Grain on railroad rights-of-way alongside blocked elevators because of car shortages continues to be higher this year than during recent years at the same period. On September 27 there were 1,256 blocked elevators and 5,266,950 bushels of grain on the ground.

Grain and grain products loadings totaled 49,985 cars for the week ended September 23, which amounted to 263 cars less than the preceding week, and 633 cars less than the corresponding week of 1949. Cumulative loadings during the 38 weeks ended September 23 decreased 9.6 percent below 1949, and 3.2 percent under 1948.

Boxcar loadings for the week ended September 23 were 362,670 compared with 361,943 for the previous week, representing increases of 9.9 percent and 8.1 percent over corresponding weeks of 1949. These figures are higher than for any week since November 20, 1948, when the loadings were 365,391.

Largely as a direct result of serious developments in the international situation, there has been a marked increase in the demands for open-top cars of all types. Shortages of gondolas and hoppers have been steadily mounting, reaching an average of from 15,000 to 16,000 cars per day during the past few weeks. Huge tonnage requirements for the movements of coal, ore, steel, and construction materials have taken a heavy toll on the car supply which has not been adequate to fully meet these demands. The outlook is not favorable for an early improvement in this situation because of the large volume movements of sugar beets and sugar cane, requiring the assignment of a considerable number of hoppers and gondola dump cars to protect these important food crops before winter.

Coal loading has been as heavy as could be expected under the present 5-day workweek. Since the end of the miners' vacation period early in July, revenue coal loadings have been averaging about 155,000 cars per week, representing a considerable improvement as compared with the 3-day per week operations at this time last year. The following tabulation shows the revenue loadings for 36 weeks ended September 9 of this year, as compared with corresponding periods of the past 2 years.

	1950	1949	1948
36 weeks ended Sept. 9.....	4,753,075	4,628,692.....	6,058,952
1950 increase over 1949.....		125,283 cars or 2.7 percent.....	
1950 decrease under 1948.....		1,304,977 cars or 21.5 percent.....	

It will be noted that 1950 loadings are now slightly above those of 1949 representing a substantial recovery from the heavy deficit of 45.5 percent which prevailed at the end of the first 9 weeks of this year compared with last year.

Following are statistics furnished by the United States Bureau of Mines and the Ore and Coal Exchange through which we may appraise the present situation with respect to bituminous coal and iron ore.

	1950	1949
Bituminous coal (net tons):		
United States stocks on Aug. 1.....	51,996,000	69,119,000
United States consumption to Aug. 1.....	253,922,000	267,222,000
United States production to Sept. 9.....	330,901,000	331,769,000
On Lake Superior docks—Aug. 1.....	2,135,238	3,398,780
Dumped Lake Erie docks to Sept. 11.....	34,367,556	29,420,540
Percent lake program met to Sept. 11.....	68.7	65.4
Iron ore (gross tons):		
United States stocks on Aug. 1.....	23,326,216	33,364,141
United States consumption to Aug. 1.....	45,740,387	46,852,575
Forwarded upper lake docks to Sept. 11.....	50,916,013	60,684,739
Percent lake program met to Sept. 11.....	66.1	79.8

It will be noted that bituminous coal stocks on August 1 were approximately 17 million tons less than those on the same date last year. This margin is being gradually reduced, however, as current production is averaging more than 11 million tons per week, while consumption and export shipments are running approximately 8½ million tons weekly. Our coal stockpile which represented a 48-day supply on August 1, should be built up to a 60-day supply by November 1 despite increased consumption caused by stepped-up industrial activity in our defense program.

The lake coal program recently revised upward from 45 to 50 million tons, is making satisfactory progress and should be met by the end of the navigation season. Stocks on upper lake docks are being built up gradually from the critically low volume of last May 1—less than 170,000 tons.

The lake ore situation is not nearly so favorable and is causing considerable concern to the steel industry. On account of the delay of about a month in opening of navigation, there was an initial loss of 8½ million tons, and, in spite of intensive efforts to move maximum tonnage from upper lake ports, the present deficit compared with last year's movement is nearly 10 million tons. An all-rail movement from the Minnesota ranges to the Pittsburgh-Youngstown-Chicago

area should offset about 2 million tons of this loss, but consumption in June and July was approximately $3\frac{1}{2}$ million tons above these months last year.

There has been little change in overseas' requirements for our coal. European countries appear to have adequate supplies and practically all tonnage now moving from our ports is destined to South America or to the outlying islands. The following statement for 8 months of each year shows the marked reduction in tonnage overseas this year as compared with 1949:

Month	Gross tons	
	1950	1949
January.....	146,486	1,436,990
February.....	42,266	1,397,175
March.....	91,945	1,450,761
April.....	133,490	1,818,895
May.....	179,211	1,890,667
June.....	199,258	1,795,493
July.....	142,241	517,042
August.....	158,376	540,017
Total, 8 months.....	1,093,273	10,847,040

As several European countries have recently increased industrial activity for military preparedness, demands for export coal overseas may rise to some extent but available information does not indicate that there will be any substantial increase in the near future.

SECTION OF EXPLOSIVES

Summaries from the reports of the Section of Explosives disclose that no persons were killed or injured due to rail transportation of class A commercial explosives during 1949, marking the twenty-eighth consecutive year that no explosions occurred in such transportation.

The production of 596,910,000 pounds of these explosives in 1949 and 638,918,000 pounds during 1948 reflects a considerable increase when compared with the year 1940 when 406,671,000 pounds were produced.

These reports also indicate a considerable increase in the marketing of liquefied petroleum gases which rose from 9,931 thousand gallons in 1929 to 223,580 thousand gallons in 1939 and 2,725,000 thousand gallons in 1949.

The manufacture and transportation of dangerous articles has shown a steady increase throughout the years especially during the recent war and postwar periods when numerous new materials were developed and larger volumes transported. Obviously it has been

no easy task to keep the regulations in line with these new developments and at the same time endeavor to restore the requirements to prewar standards which had been relaxed because of unusual conditions.

Shortages of many types of containers or materials for their manufacture continued until very recently and while steps were being taken to restore former shipping practices the Korean and other emergency situations arose, making it impossible to remove all of the war emergency controls still in effect.

The trends in the use of compressed gases required that special attention be given to the providing of new shipping containers for their transportation. This included specifications from small low-pressure beer-can types to large cargo and portable tank units and allowing a more flexible use of existing types. As an illustration, the small containers meet the demand for an inexpensive throw-away unit for domestic and shop uses such as disinfectants, insecticides, paint, oils, wax, or other materials to be sprayed as a mist, while the larger tanks were for gases such as anhydrous ammonia, which is now used extensively and in large quantities as a fertilizer, liquefied carbon dioxide for fire-fighting equipment, and liquefied petroleum gases to meet large domestic demands and a rapidly increasing exportation. Two other gases, sulfur dioxide and nitrous oxide, have also moved in larger quantities, and therefore the adoption of the tank specifications was an important contribution at a critical period. With the pattern now set we should be able to provide tanks for various other gases as rapidly as a need for them is established.

Portable tank specifications were also adopted to satisfy the need for larger containers for transporting acids and other corrosive liquids. Such tanks may be lined with lead, rubber, or other materials to make them impervious to the lading. In addition, nearly all of the tanks can be lagged to insulate them from heat or cold. The adoption of a varied number of safety devices for such tanks should insure reasonable protection in transit.

ACCIDENTS

An explosion of munitions and dynamite on barges and in cars at South Amboy, N. J., May 19, 1950, resulted in the known death of 5 persons and doubtless of 26 others reported as missing. Local hospitals admitted 52 persons for treatment, and 150 persons received emergency first-aid treatment for injuries sustained.

The United States Coast Guard Marine Board of Investigation made a thorough investigation of the accident, and additional investigations are being conducted by a congressional committee and

the Department of Justice, with all of which we are cooperating. The exact cause of the explosion has not been determined.

A collision between a streetcar and tank truck with full trailer of gasoline at Chicago, May 25, 1950, caused a fire and death of 33 persons, including the truck driver, streetcar motorman, and 31 streetcar passengers. No violations of our regulations were evident.

Reports of other accidents on railroads show one express company employee injured by the discharge of a firearm concealed in a package. Three carrier employees were injured by the explosion of improperly packed fireworks. The property damage was negligible.

The record of 585 reported accidents occurring in 1949 in the transportation by rail freight and rail express of dangerous articles other than explosives, shows 59 fires and 12 persons injured, with total property damage of \$191,826, which is less than any year since 1940. Gasoline was involved in the greatest number of accidents, there being 121 instances with a property loss of \$74,223. Two fires due to derailment of tank cars caused \$69,029 of this loss.

Although electric storage batteries were involved in the next greatest number, or 97 accidents, the property damage was low as usual. Acids were involved in a large number of instances, and caused six injuries because of incompletely emptied containers or splashing from domes of tank cars.

Seven orders were issued amending the Regulations for the Transportation of Explosives and Other Dangerous Articles, adding many new items, preliminary to the reissuance of a new book of regulations which, it is expected, will be ready for distribution by the end of the year. For the first time, the complete regulations will be available in one volume.

Likewise, for the first time, large tank containers and cargo tank specifications have been adopted for a variety of materials, the designs of which will permit more extended usage, as will the specifications for lagged drums and the beer-can type containers.

BUREAU OF TRAFFIC

The general increases in rail freight rates and charges in the post-war era—the last of which was made effective September 1, 1949—were accomplished by means of so-called “master” tariffs consisting chiefly of conversion tables for use in conjunction with the basic rate tariffs. In February of this year, we directed the carriers to reissue their tariffs, other than class-rate tariffs, at the rate of not less than 10 percent each quarter beginning April 1, 1950, to incorporate the increases into the basic rates and obviate the use of the “master” tariffs. This program is now under way and should be completed by September 1952. Because of the pendency of the class-rate inves-

tigations, in Docket No. 28300 and related proceedings, the carriers were permitted to defer reissuing their class-rate tariffs.

Data covering particular activities of subdivisions of the Bureau are shown below:

SECTION OF TARIFFS

There were received for filing 129,802 publications containing changes in freight, express, pipeline and freight-forwarder rates, classification ratings or contract carrier minimum-rate schedules and in passenger tariffs. This figure comprises tariff publications as follows:

Freight:	
Rail, motor, or water common carrier	102, 174
Contract schedules, motor or water	1, 734
Passenger	17, 129
Express	3, 630
Pipeline	517
Freight forwarder	4, 618
Total	129, 802

Of these publications, 1,680 were rejected for failure to give notice required by the statute or to conform to prescribed regulations. Tariff and schedule publications were criticised in 15,233 instances. Powers of attorney and certificates of concurrence filed aggregated 15,586. Applications received seeking special permission to establish rates or fares on less than statutory notice or for waiver of certain of our tariff-publishing rules numbered 10,169. Specific orders entered granting, denying, amending, or revoking special permission numbered 10,560. There were received and filed 2,217 copies of traffic contracts between common carriers and 3,369 between motor contract carriers and shippers covering the charges of such carriers for transportation for such shippers. The issuance of certificates and permits to motor carriers and the transfer of such operating rights are conditioned upon compliance with our tariff rules. Compliance with the tariff rules was checked in 3,424 certificate and permit matters and in 2,660 transfer matters. Rate matters involved in 1,710 applications for temporary authority to establish new or extended motor operations were acted upon during the year. For use in transportation studies 262,720 freight waybills were analyzed and individually checked to determine the rates and distances involved. Our duplicate tariff file has been maintained for the use of the public.

Pursuant to the provisions of section 409, we prescribed terms and conditions under which freight forwarders may utilize the services and instrumentalities of motor common carriers at less-than-published

tariff rates. Our order in this proceeding, now scheduled to become effective May 1, 1951, requires the freight forwarders to file with this Commission schedules, known as "Schedules of Compensation Arrangements," which adequately describe the services to be performed by the motor carrier for each freight forwarder and the compensation to be paid therefor. There were received for filing 3,170 of these schedules of compensation arrangements and 3,066 concurring agreements of motor common carriers assenting to schedules of compensation arrangements filed by the freight forwarders.

SUSPENSIONS

Rate adjustments involving changes in rail, motor, water, freight-forwarder, and pipeline tariff schedules were protested and suspension asked in 1,474 instances, an increase of 498 over the previous year. Of these protested adjustments, 237 represented increases, 1,146 represented reductions, 83 represented both increases and reductions, and 8 neither increases nor reductions.

The following action was taken on the requests for suspension:

Suspended (including supplemental orders)	593
Refused to suspend	607
Schedules rejected, requests for suspension withdrawn or protested schedules canceled	274
Total	1,474

Of the suspended adjustments 277 were disposed of through informal proceedings.

A total of 4,809 tariff publications were involved in the above-described adjustments, of which 1,497 were increases, 2,887 reductions, 421 included both increases and reductions, and 4 represented no change.

Parties requesting suspension were 4,906, with 912 parties opposing suspension.

Rail carriers protested 7 rail adjustments, 267 motor-carrier adjustments, and 6 water-carrier adjustments. Motor carriers protested 549 motor-carrier adjustments, 92 rail adjustments, 6 water-carrier adjustments, and 9 freight-forwarder adjustments. Water carriers protested 45 rail adjustments and 9 competing water-carrier adjustments. Freight forwarders protested 7 motor-carrier adjustments and 6 competing freight-forwarder adjustments. Nearly all of these adjustments represented reductions in rates.

Of the protested adjustments involving increased rates, 14 were protested by Federal and 8 by State agencies.

THE FOURTH SECTION

The number of applications for relief was 905, an increase of 96 over the previous year. The number of orders entered in response to applications was 730, of which 28 were denial orders, 511 were orders granting continuing relief, and 191 were orders granting temporary relief. Thirty formal reports were issued.

Applications withdrawn, wholly or in part, after correspondence with carriers, numbered 33, and 338 applications or portions thereof were heard.

The number of petitions for modification of orders was 302, of which 249 were granted, 21 were denied, 4 were withdrawn, and 28 are pending.

The number of applications filed under authority of the 1940 amendment of section 4 (1), which enables the carriers to file tariffs naming the rates involved at the same time that application is made to the Commission for approval of the departures, was 680, or 75.1 percent of the total number of applications filed.

RELEASED RATES

There were filed 53 applications for authority under sections 20 (11), 219, and 413 of the act to establish rates dependent upon declared or agreed values, and 19 of such applications were pending at the beginning of the year. Of this total of 72, 36 were granted, 13 were withdrawn, and 23 are pending. During the year, 16 orders previously entered were rescinded.

BUREAU OF TRANSPORT ECONOMICS AND STATISTICS

In our previous report the various functions of this Bureau were outlined in some detail, which need not be repeated here. One of its very important functions, however, is the examination and tabulation of the returns contained in monthly, quarterly, and annual reports filed with us by the various agencies of transport subject to the Interstate Commerce Act. From these data the Bureau prepares and issues a series of periodic publications, all of which are necessary tools in connection with our regulatory duties. Because of the enlargement of our jurisdiction since 1940, the number of reports filed with the Bureau has greatly increased. During the 12-month period ended June 30, 1950, the number of annual, quarterly, and monthly reports filed, exclusive of those from class II and class III motor carriers, referred to below, totaled 48,090, of which 4,759 were comprehensive annual reports. These figures represent increases of 29 and 79 percent, respectively, over the 37,324 and 2,652 reports filed during the fiscal year 1939. Despite this large increase in workload, there has

been an actual reduction of 14.5 percent in the personnel of the Bureau's sections which process these reports, between September 1939 and September 1950. We have previously called attention to the fact that the carriers' returns must be examined and tabulated in order to produce the statistics required for the proper exercise of our regulatory functions. The Bureau's periodic publications showing these important transportation statistics, which are essential, not only to this Commission but also to carriers, shippers, and others who appear before us, are being greatly delayed by the lack of personnel, and backlogs continue to grow.

Under our order of August 26, 1948, class II and III motor carriers of property and passengers, beginning with the calendar year 1948, are required to file annual reports. To date we have received about 32,000 such annual reports covering the years 1948 and 1949. The Bureau has had no personnel available to handle the work of examining and tabulating these returns.

During the fiscal year the Bureau issued the following studies as a part of its general research work.

Statement No.:	Title
5015-----	Historical Development of Transport Coordination and Integration in the United States.
5017-----	Rail-Highway Grade-Crossing Accidents for the Year Ended December 31, 1949.
5025-----	Study of Railroad Motive Power.
5036-----	Comparison of Average Rates Charged on Intraterritorial Carload Freight.
5046-----	Volume of Intercity Freight Traffic, Public and Private, by Kinds of Transportation, 1939-49.

A considerable amount of the time of the research staff has been devoted to work in connection with various proceedings, including No. 28300, Class Rate Investigation, 1939; No. 28310, Uniform Freight Classification; No. 29820, Chrysler Corp. et al. v. A. C. & Y. R. Co. et al.; and No. MC-C-550, Investigation of Bus Fares.

The drafting of an annual report form for maritime carriers to be used in common by the United States Maritime Administration and this Commission, deferred pending preparation of a uniform system of accounts that would serve the purposes of both agencies, probably will be completed before the end of 1950.

The instructions and schedules covering our requirements for a supplement to the annual report form prescribed for steam railways in the form of consolidated statistical statements of income, earned surplus unappropriated, and general balance sheet statement were revised during the year. This revision was prescribed in our order of February 28, 1950, to become effective beginning with reports for 1950.

In accordance with recent legislation authorizing this Commission to require special reports from associations under sections 20, 220, 313, and 412 of the Interstate Commerce Act, the Commission on January 12, 1950, issued an order requiring such associations to file a report showing their status as of August 2, 1949. Several hundred returns have been filed, many of which were filed under protest. Consideration is being given to such protests, and it is expected that determinations will be reached in the near future as to what associations are exempt from filing such reports.

Early in 1949 a review was begun of our outstanding rules governing the separation of railway operating expenses, taxes, equipment rents, and joint facility rents between freight and passenger services for the purpose of revision where necessary and to conform with amendments to the accounting classifications. As a result of conferences with railroads and other interested parties, it is expected that revised rules will be issued to become effective January 1, 1951.

Consideration is being given to a revision of our Rules Governing the Classification of Steam Railroad Employees and Reports of Their Service and Compensation, which were last revised in 1940. Revision is necessary because of the widespread application of the 40-hour week in the railroad industry and because of changes in payroll recording and in operating methods.

This Bureau is represented on the Freight Commodity Classification Committee of the Association of American Railroads, which met during the past year to consider revisions in the freight commodity classification, which is based upon the one prescribed by us for reports of freight commodity statistics filed by rail and water carriers.

A staff member of the Bureau represents the Commission as an "observer member" of the Technical Catalog Committee of the Civil Establishments Advisory Catalog Board.

Representatives of the Bureau's staff have continued to cooperate with the Bureau of Railway Economics of the Association of American Railroads in the preparation of a formula for comparative rating of the safety records of the individual railroads based on our statistics of railway accidents.

WAYBILL ANALYSIS

Only minor changes have been made in our current waybill releases during the year. The quarterly statements showing terminal distribution for the 5 principal commodity groups and for each of 68 important commodity classes have been revised to eliminate the data for these 68 classes, which hereafter will appear only in the annual statement. Our other regular quarterly tables showing the distribution of freight traffic and revenue averages by commodity classes will hereafter show not only the data for the current quarters but also

comparisons with the corresponding quarters of the immediately preceding years. During the year annual tabulations have been released showing the comparative distribution by commodity classes of the 1947-49 traffic and revenue averages for the 25 territorial and inter-territorial movements. Tabulations showing the State-to-State distributions by commodity classes have also been published for the full year 1948 and similar tabulations for 1949 traffic will be released shortly. This will be the first time that a comprehensive analysis of detailed commodity movements within and between each of the 48 States for two successive years has ever been made.

Detailed tables for analytical purposes have also been published for 1947 and 1948, showing for each of the 261 commodity classes the volume of traffic and revenues for the 25 territorial and inter-territorial movements by short-line length of haul (mileage blocks) and type of rate. In addition, the Waybill Section prepared all the tabulations necessary to develop a "Comparison of Average Rates Charged on Intraterritorial Carload Freight," which was published recently. Similar tabulations and computations have likewise been prepared for intraterritorial comparisons of rates charged in 1948 and 1949.

For many years we have felt the need of an index of freight rates for the United States, and with this in view undertook the experimental development of indexes for iron ore and for bituminous and anthracite coal. The two latter were published in the form of studies by this Bureau. The time and expense involved in these studies, combined with that which would be involved in keeping them current, indicated clearly that the procedure used was not a practicable approach to the problem. With the inauguration of our 1 percent waybill sample, however, it has become possible at little additional cost to establish the base for an annual index of freight rates not only for all traffic but for each of the more important commodities included in the 261 commodity classes as well as to keep this index current. This index of average freight rates has been completed covering 1948 terminated traffic, using the composition of traffic and average freight rates in 1947 as a base. Publication of the index for the 3 years 1947, 1948, and 1949 is planned as soon as work on the 1949 waybill data is completed.

BUREAU OF VALUATION

During the year, this Bureau has been engaged principally in checking and processing basic underlying data submitted by pipeline carriers in response to our valuation orders preparatory to the development of tentative valuation reports, preparing tentative and final valuation reports and orders for our approval, collecting and correlating

data upon changes in costs, inventories, and depreciation, together with bringing to later dates inventories, costs, and other underlying data for railroads for which valuations have been previously made, as required by section 19a (f) of the Interstate Commerce Act, auditing reports covering extensions, improvements, retirements, and other changes, collection of data reflecting changes in land values, and supplying valuation data to carriers, other Government agencies, States, counties, cities, and to the general public.

The Bureau prepared for our approval and adoption tentative valuation reports upon 32 pipeline carriers, on 26 of which we have approved final reports and orders. It also furnished statements of original cost to 50 railroads for use in setting up new investment accounts after reorganizations, consolidations, and mergers of railroad companies, in accordance with our requirements. Past accrued depreciation rates were furnished to eight railroads. Initial depreciation rates were supplied 33 carriers for use in complying with our depreciation orders.

Elements of value as of January 1, 1949, for class I line-haul railways, showing breakdown for the several districts and regions, and for the class I switching and terminal companies were furnished the Bureau of Accounts and Cost Finding for use in cost finding studies.

Valuation data were furnished to the Bureau of Finance, the Bureau of Transport Economics and Statistics, and the Bureau of Accounts and Cost Finding for use in accounting, reorganization, abandonment, acquisition, and other studies. These data consisted, in part, of the percentage relationship of cost of reproduction new of certain road accounts to the total of all road accounts, as well as indices and weightings pertinent to depreciation studies.

Much data having to do with valuation were furnished various Government agencies, including the Bureau of Internal Revenue, Department of Commerce, Department of Agriculture, Post Office Department, and others. These data consisted largely of information on depreciation, cost indices, deferred maintenance, and similar related matters. An appraisal was made for the United States Maritime Commission covering the property of the Hoboken Terminal at Hoboken, N. J., for the determination of present day fair market value and present day gross rental value. An employee of the Bureau served as secretary to the National Security Resources Board—Pipe Line Task Group. Cost of reproduction and present value of land and rights of the class I railways were furnished the revenue departments of numerous States for their use in connection with assessment for taxation purposes.

The railroad construction indices prepared annually by the Bureau were revised to include 1949. These indices show that the over-all index factor reached 282 in 1949 in relation to 1910-14 prices, as compared with 226 in 1920, with road items at 270 in contrast to 214, and equipment at 330 as against 265.

As stated in our sixty-third annual report, under the discussion of Property Value in Regulation: "With the force available for this work, however, the work is falling lamentably behind."

The appropriation for this Bureau was severely cut for the fiscal year 1949-50, and no provision was made in the appropriation for the current year for any increase. Due to this cut certain phases of the Bureau's work, more especially field auditing of carriers' reports under the various valuation orders and the collection of data reflecting changes in land value, are falling behind and it is becoming increasingly difficult for the Bureau to prepare reliable data for our use. In this connection as we have previously stated:

The Commission should not be required to accept reports of carriers without check and a certain amount of policing. It is this guardianship of the accuracy of the public record that gives it probative and practical value.

BUREAU OF WATER CARRIERS AND FREIGHT FORWARDERS

The work of this Bureau has been in a transition for several years. Previously its activities related in the main to formal application proceedings before the Commission. Currently, however, its efforts are equally concerned with obtaining compliance with the Interstate Commerce Act and our regulations thereunder by water carriers, freight forwarders, and rate bureaus. During the year, 639 conferences were held in the Bureau's office in Washington with water-carrier, freight-forwarder, and rate-bureau representatives, and others, regarding various subjects, particularly compliance matters. Two hundred seventy-seven inquiries or investigations were instituted and reports filed thereon by the field representatives, and they participated in 381 conferences.

Representative of the compliance work in respect of water carriers are complaints, informally presented, that carriers are engaging in service subject to part III of the act without authority or beyond the scope of their authority; that minimum rates published by contract carriers are not actually maintained and charged; and that carriers are according transportation service subject to the act without charge therefor.

A large part of the freight-forwarder compliance work relates to shippers' associations said to be operating as freight forwarders. This phase of the work is in an uncertain state at present because of the decision in *United States v. Pacific Coast Wholesalers Assn.*, 338 U. S. 689, decided February 6, 1950. There the Supreme Court affirmed the judgment of the District Court for the Southern District of California (81 Fed. Supp. 991) enjoining the requirement stated in our report in 269 I. C. C. 504. We had found that the Pacific Coast Wholesalers Association was operating as a freight forwarder without authority from this Commission and admonished it to discontinue such operations. The courts held that the association's operations were of the character contemplated by section 402 (c) (1) of the act, exempting from part IV the operations of an association of shippers in consolidating or distributing freight for its members for the purpose of securing the benefits of carload, truckload, or other volume rates.

A number of associations have been investigated by our staff, and in general it is difficult to distinguish between the service which a shipper receives from such an association and that provided by regulated freight forwarders. In certain instances former principals in forwarder businesses have been found to be prominently identified with newly established shippers' associations. In view of the conclusion reached by the courts in the Pacific Coast Wholesalers case it is difficult effectively to police and deal with operations of associations claimed to be exempt under section 402 (c) (1). In these circumstances, it would seem desirable to amend the statutory exemption, making it revocable by this Commission where it is found that the group under consideration is not a bona fide shippers' association.

In past reports we have recommended that section 411 (c) of the act be amended to permit certain carrier-forwarder proprietary relations (now prohibited by that section) upon a showing that neither public nor private interests will be adversely affected thereby. Various bills have been introduced to effect this recommendation, but none has been brought to a vote. In the absence of such amendatory legislation, it is incumbent upon us, and it will be our purpose, to take steps to enforce the provisions of that section.

In general, the services and traffic of the water carriers have improved and increased somewhat during the past year. Although there were some temporary additions to the intercoastal fleet around the middle of the year, due in part to single-voyage use of vessels destined for operation in other areas, or to meet emergency demands

for space, the number of vessels in regular service in this trade has remained about the same as reported in our last annual report. There was an upturn in cargo tonnage, which for a time during the year reached about the capacity of the fleet. A car shortage and possibly other factors created a heavy demand for vessel space for lumber which, however, subsequently eased.

Four common carriers have operated during the past year in Atlantic and Atlantic-Gulf coastwise service, one of them a seasonal carrier of citrus from Florida. Because of anticipated shortage of refrigerator ships resulting from war conditions, the citrus carrier has announced that it will not resume service this season. Two steamship lines are performing common-carrier service along the Pacific coast, one of them operating six vessels in connection with a service to and from Canada and Alaska, and the other utilizing a single vessel. Two contract carriers of lumber operate a total of nine vessels in Pacific coastwise service.

Following the enactment of the Great Lakes shipping bill, Public Law No. 856, application was filed with us for a certificate authorizing package-freight service on the Great Lakes with vessels to be purchased from the Government under the new law. It is proposed to transport the package freight in containers. A somewhat similar application has been filed requesting authority to perform trailer-carrying service between ports along waterways of the Mississippi and Ohio rivers system.

The Bureau issued 27 proposed reports in water carrier, freight forwarder, and section 5a application proceedings during the year, prepared 18 revised reports in cases in which hearings were held by other bureaus, and reviewed 11 reports in finance cases involving water carriers. Since part III of the act became effective, 1,981 applications have been filed for authority to continue, extend, or institute water-carrier operations or for exemption, of which 1,952 have been disposed of by grant, denial, or dismissal. Two hundred fifty-two applications for freight-forwarder permits or transfers have been received, of which 242 have been determined and 10 are pending. There are now outstanding 267 common-carrier certificates, 61 contract-carrier permits, and 100 freight-forwarder permits. Twenty-seven applications have been filed under section 5a of the act for approval of rate-conference agreements, of which 12 have been determined and 15 are pending. During the year, the Bureau prepared 111 memoranda in rate cases and reviewed 6 rate reports.

The following is a cumulative summary of the Bureau's work in formal proceedings other than rate cases:

	Cumulative			Pending Nov. 1, 1949	Period			Pending Nov 1, 1950
	Nov. 1, 1940, to Oct. 31, 1950				Nov. 1, 1949, to Oct. 31, 1950			
	Filed	Re- opened	De- cided		Filed	Re- opened	De- cided	
Grandfather clause.....	775	371	1, 142	1	-----	40	37	4
Extension and new operation.....	283	88	344	18	31	23	45	27
Exemption.....	430	11	440	1	3	1	4	1
Temporary authority.....	493	193	684	-----	41	15	54	2
Total water carrier.....	1, 981	663	2, 610	20	75	79	140	34
Freight forwarder.....	252	138	378	13	17	29	47	12
Agreements section 5a.....	27	-----	12	12	14	-----	11	15
Ex Parte.....	18	-----	17	-----	1	-----	-----	1
Total.....	2, 278	801	3, 017	45	107	108	198	62

LEGISLATIVE RECOMMENDATIONS

1. We recommend that section 1 (15) of the Interstate Commerce Act be amended so as to authorize the Commission thereunder to determine the compensation to be paid and other terms of any contract, agreement, or arrangement for the use of any locomotive, car, or other vehicle not owned by the carrier using it (and whether or not owned by another carrier).

2. We recommend that section 20 (6) of the Interstate Commerce Act be amended to make it applicable to persons which furnish locomotives to carriers subject to part I of the act.

3. We recommend that section 20b of the Interstate Commerce Act be amended so as to permit controlled or controlling stockholders of a railroad corporation which is undergoing voluntary modification or alteration under that section to register their assent to such modification or alteration, subject to the power of the Commission to increase the prescribed percentage of assents required in such classes for approval of a proposed plan as it may deem just and reasonable in the light of circumstances presented in the particular case.

4. We recommend that section 22 of the Interstate Commerce Act be amended so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis. Such a purpose seems to us eminently sound, and we have recommended the enactment of S. 4067, introduced by Senator Johnson of Colorado, "To amend Section 22 of the Interstate Commerce Act."

5. We recommend that section 25 of the Interstate Commerce Act be amended by making it also applicable to telegraph, telephone, radio, inductive, or other wayside or train communication systems intended to promote safety of railroad operation.

6. We recommend that part III of the act be amended by adding after section 312 a new section (312a) containing provisions for revocation of water-carrier certificates or permits.

7. We recommend that the Congress amend the Standard Time Act so as fully to occupy the legislative field respecting standards of time to be observed throughout the Nation.

J. MONROE JOHNSON, *Chairman*.

CLYDE B. AITCHISON.

WILLIAM E. LEE.

CHARLES D. MAHAFFIE.

WALTER M. W. SPLAWN.

JOHN L. ROGERS.

J. HADEN ALLDREDGE.

WILLIAM J. PATTERSON.

RICHARD F. MITCHELL.

HUGH W. CROSS.

JAMES K. KNUDSON.

APPENDIX A

SUMMARY OF DISPOSITION, DURING THE YEAR NOVEMBER 1, 1949, TO OCTOBER 31, 1950, OF INDICTMENTS RETURNED AND INFORMATION AND COMPLAINTS FILED IN THE UNITED STATES DISTRICT COURTS CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT

United States v. Acme Fast Freight, Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Atchison, T. & S. F. Ry. Co., southern district of California, indictment in 10 counts charging granting of concessions to a shipper of cheese in carload lots. November 21, 1949, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed, and remaining counts dismissed.

United States v. Baltimore & O. R. Co., southern district of New York. January 30, 1950, information in five counts charging defendant with knowingly offering, granting, and giving concessions through unloading services performed without assessing tariff charges. February 8, 1950, plea of guilty entered. July 7, 1950, judgment of \$1,000 on one count. Remaining counts dismissed.

United States v. R. F. Burnett, eastern district of Tennessee, indictment in six counts charging falsification of accounts and annual reports of Smoky Mountain Railroad. December 8, 1949, defendant entered plea of *nolo contendere*. Court suspended sentence and placed defendant on probation for 3 years.

United States v. Manuel Caballero and Romualdo Caballero, western district of Texas. January 3, 1950, indictment in 10 counts charging defendants with soliciting, accepting and receiving concessions on shipments of oats imported from Mexico, through falsely representing the shipments to be intrastate. April 21, 1950, plea of guilty to one count and fine of \$1,000 imposed on Manuel Caballero. Remaining counts dismissed. All counts of indictment dismissed as to Romualdo Caballero.

United States v. Chicago & N. W. Ry. Co., northern district of Illinois, complaint in one count charging violation of Commission's Service Order No. 670. June 16, 1950, plea of guilty and penalty of \$100 assessed.

United States v. Chicago, B. & Q. R. Co., eastern district of Missouri, information in 10 counts charging failure to observe demurrage tariffs. November 22, 1949, plea of *nolo contendere* to six counts. Fine of \$6,000 imposed and remaining counts dismissed.

United States v. Chicago, M. St. P. & P. R. Co., western district of Wisconsin, information in 10 counts charging offering, granting, and giving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. Chicago, St. P., M. & O. R. Co., western district of Wisconsin, information in 10 counts charging offering, granting and giving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. J. R. McIntyre, d/b/a Coast Carloading Co., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Elroy Naval Stores Co., Inc., southern district of Georgia. April 23, 1950, information in six counts charging false billing in weights of carload shipments of turpentine and paint-thinning compound. October 9, 1950, plea of *nolo contendere* to one count and fine of \$1,000 imposed. Remaining counts dismissed.

United States v. Great Northern Ry. Co., western district of Wisconsin, information in 10 counts charging offering, granting, and giving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. International Forwarding Co., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Rudolph Kupferschmid, southern district of California, indictment in 10 counts charging false billing of carload shipments of cheese. November 9, 1949, plea of *nolo contendere* to three counts. Remaining counts dismissed and fine of \$3,000 imposed.

United States v. Magnet Cove Barium Corp., western district of Texas, information in five counts charging soliciting, accepting, and receiving concessions through false billing of fuller's earth as common ground clay. February 28, 1950, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Merchant Shippers Association, Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Minneapolis, St. P. & S. S. M. R. Co., western district of Wisconsin, information in 10 counts charging offering, granting, and giving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. Missouri Pac. R. Co., Guy A. Thompson, Trustee, eastern district of Missouri. February 9, 1950, information in 10 counts charging failure to observe demurrage tariffs. February 10, 1950, plea of *nolo contendere* to three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. Northern Pac. Ry. Co., western district of Wisconsin, information in 10 counts charging offering, granting, and giving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to counts 1, 3, and 4. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. North Western-Hanna Fuel Co., western district of Wisconsin, information in 20 counts charging soliciting, accepting, and receiving concessions on demurrage charges. May 8, 1950, plea of *nolo contendere* to first three counts. Fine of \$3,000 imposed and remaining counts dismissed.

United States v. Pacific and Atlantic Shippers' Association, Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Republic Carloading & Distributing Co., Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Seaboard Air Line R. Co., northern district of Alabama. June 7, 1950, information in four counts charging unlawful granting of free transportation. June 16, 1950, plea of *nolo contendere* entered to all counts and fine of \$1,000 imposed.

United States v. Superior Fast Freight, Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Universal Carloading & Distributing Co., Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Vendors Consolidating Co., Inc., southern district of New York. January 30, 1950, information in one count charging defendant with accepting concessions through falsely billing contents of mixed carload shipment. February 9, 1950, plea of guilty entered and fine of \$1,000 imposed.

United States v. Vendors Consolidating Co., Inc., southern district of New York. January 30, 1950, information in five counts charging defendant with knowingly soliciting, accepting, and receiving concessions in the form of free unloading service by the railroad on carload shipments of merchandise. February 9, 1950, information dismissed.

United States v. Wells Fargo Carloading Co., Inc., southern district of California, indictment in five counts charging unlawful extension of credit. December 5, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Western Carloading Co., Inc., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

United States v. Westland Forwarding Co., southern district of California, indictment in five counts charging unlawful extension of credit. November 21, 1949, plea of *nolo contendere* to one count. Fine of \$1,000 imposed and remaining counts dismissed.

SUMMARY OF INDICTMENTS, INFORMATIONS AND COMPLAINTS PENDING IN UNITED STATES DISTRICT COURTS OCTOBER 31, 1950, CHARGING VIOLATIONS OF THE INTERSTATE COMMERCE ACT, PARTS I, III, AND IV, THE ELKINS ACT, AND THE TRANSPORTATION OF EXPLOSIVES ACT

United States v. A. B. C. Freight Forwarding Co., southern district of New York. June 29, 1950, information charging defendant with knowingly soliciting, accepting, and receiving concessions on free loading on cars; 10 counts.

United States v. A-B-C Transfer & Storage Co., Inc., northern district of California, southern division. May 9, 1950, information charging defendant with knowingly soliciting, accepting and receiving concessions on demurrage charges; 5 counts.

United States v. Aberdeen and Rockfish R. Co., eastern district of North Carolina, information charging unlawful extension of credit and granting of concessions on demurrage charges. April 11, 1949, plea of *nolo contendere* to one count and fine of \$1,000 imposed. Defendant given 2-year suspended sentence on two other counts and placed on probation. Motion to correct sentence filed under Rule 35 of Criminal Procedure.

United States v. Allis-Chalmers Mfg. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly soliciting, accepting, and receiving concessions on demurrage charges; 20 counts.

United States v. Baltimore & O. R. Co., southern district of New York. June 29, 1950, information charging defendant with unlawfully granting and giving concessions through the device of furnishing free carloading service; 10 counts.

United States v. Calumet Cheese Co., Inc., eastern district of Wisconsin. June 2, 1949, information charging false billing of express shipments of cheese; 10 counts.

United States v. Chase and Co., southern district of Florida. October 22, 1948, indictment charging soliciting, accepting, and receiving concessions by knowingly understating amount of top ice placed in refrigerator cars; 15 counts.

United States v. Chicago & N. W. Ry. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting, and giving concessions on demurrage charges; 10 counts.

United States v. Chicago, M., St. P. & P. R. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting, and giving concessions on demurrage charges; 10 counts.

United States v. Minneapolis, St. P. & S. S. M. R. Co., eastern district of Wisconsin. December 19, 1949, information charging defendant with unlawfully and knowingly offering, granting and giving concessions on demurrage charges; 10 counts.

United States v. Upper Columbia River Towing Co., district of Oregon. October 20, 1949, information charging unlawful operations without certificate of public convenience and necessity; 3 counts.

United States v. The Western Pac. R. Co., northern district of California, southern division. May 9, 1950, information charging defendant with knowingly offering, granting and giving concessions on demurrage charges; 5 counts.

APPENDIX B

SUMMARIES SHOWING ACTION TAKEN SINCE THE PERIOD COVERED BY THE LAST ANNUAL REPORT WITH RESPECT TO CASES INVOLVING ORDERS AND REQUIREMENTS OF THE COMMISSION AND STATUS ON OCTOBER 31, 1950, OF CASES PENDING IN THE COURTS

CASES DECIDED BY THE COURTS SINCE OCTOBER 31, 1949

SUPREME COURT OF THE UNITED STATES

Lynchburg Traffic Bureau v. United States.

For case history see 1949 Annual Report, page 141. On November 7, 1949, motion to affirm of United States and Interstate Commerce Commission was granted (338 U. S. 864).

United States v. Capital Transit Co., a Corporation (two cases).

For history of these cases see 1949 Annual Report, page 140. On November 14, 1949, the Commission's order was sustained *per curiam* (338 U. S. 286).

O. C. Wiley & Sons, Inc., v. United States.

For case history see 1949 Annual Report, page 142. On December 19, 1949, the Commission's order was sustained *per curiam* (338 U. S. 902).

United States v. Pacific Coast Wholesalers' Assn., a Corporation.

For case history see 1949 Annual Report, page 140. On February 6, 1950, judgment of the district court, setting aside the Commission's order, was affirmed (338 U. S. 689).

Aubrey B. Burton v. United States.

For case history see 1949 Annual Report, page 142. On December 23, 1949, the case was docketed on appeal to the Supreme Court, and on February 6, 1950, motion to affirm of Interstate Commerce Commission was granted (338 U. S. 946).

United States v. United States Smelting, Refining & Mining Co.

United States v. Denver & Rio Grande Western R. Co.

For history of these cases, see 1949 Annual Report, page 142. On March 27, 1950, the Commission's orders were sustained (339 U. S. 186).

Railway Labor Executives' Assn. v. United States.

For case history see 1949 Annual Report, page 141. On March 27, 1950, the Commission's order was held invalid, and the case remanded to the Commission for further proceedings in conformity with the Court's opinion (339 U. S. 142).

Jacob F. Holmes v. United States.

For case history see page 134, this volume (339 U. S. 927).

Emery Transportation Co. v. United States.

For case history see 1949 Annual Report, page 146. On February 14, 1950, the Commission's order was sustained by the district court and on May 15, 1950, motion to affirm of United States and Interstate Commerce Commission was granted by the Supreme Court (339 U. S. 955; 992).

Elmer W. Henderson v. United States.

For case history see 1948 Annual Report, page 143. On June 5, 1950, judgment of the district court was reversed, and the case remanded to the Commission for further proceedings in conformity with opinion of the Supreme Court (339 U. S. 816).

Norfolk Southern Bus Corp. v. United States.

For case history see page 134, this volume (340 U. S. 802).

UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA

Riss & Co., Inc., v. Interstate Commerce Commission.

For case history see 1949 Annual Report, page 140. On January 12, 1950, the case was remanded to the district court with directions to dismiss the complaint (179 Fed. (2d) 810), and on March 1, 1950, the district court dismissed the complaint in accordance with the mandate of the court of appeals.

DISTRICT COURTS OF THE UNITED STATES

The Texas & Pacific Motor Transport Co. v. United States, northern district of Texas, Dallas division.

For case history see 1949 Annual Report, page 145. On November 16, 1949, the Commission's order was permanently enjoined (87 Fed. Supp. 107), and on March 29, 1950, the case was docketed on appeal to the Supreme Court.

The Rock Island Motor Transit Co. v. United States, eastern district of Illinois, eastern division.

For case history see 1949 Annual Report, page 145. On November 29, 1949, the court entered its final decree setting aside the Commission's order (90 Fed. Supp. 516), and on March 6, 1950, the case was docketed on appeal to the Supreme Court.

J. V. Braswell and Braswell Motor Freight Lines v. United States, western district of Texas, El Paso division.

For case history see 1949 Annual Report, page 145. On December 22, 1949, the Commission's order was sustained, and on March 1, 1950, the case was discontinued because not appealed within the time prescribed by law.

Jacob F. Holmes v. United States, southern district of New York.

For case history see 1949 Annual Report, page 144. On November 25, 1949, the court dismissed the complaint for want of jurisdiction (89 Fed. Supp. 894), and on March 8, 1950, the case was docketed on appeal to the Supreme Court. On April 3, 1950, motion to affirm of United States and Interstate Commerce Commission was granted (339 U. S. 927; 954).

Alabama Great Southern R. Co. v. United States, northern district of Illinois, eastern division.

For case history see 1949 Annual Report, page 146. On January 12, 1950, the Commission's order was sustained (88 Fed. Supp. 982), and on April 14, 1950, the case was docketed on appeal to the Supreme Court.

Hall & Sons v. United States, district of Massachusetts.

For case history see 1949 Annual Report, page 145. On January 27, 1950, the Commission's order was sustained (88 Fed. Supp. 596), and on April 1, 1950, the case was discontinued because not appealed within the time prescribed by law.

Johnston Seed Co. v. United States, western district of Oklahoma.

For case history see 1949 Annual Report, page 144. On May 8, 1950, the Commission's order was sustained (90 Fed. Supp. 358). On October 13, 1950, the case was docketed on appeal in the Court of Appeals—Tenth Circuit.

David Isner v. Interstate Commerce Commn., eastern district of Michigan, southern division.

Complaint under the declaratory judgment act to restrain the Commission and certain of its officials from threatening to prosecute plaintiff for leasing its vehicles to shippers without appropriate authority from the Commission, on the ground that such operations are not subject to jurisdiction of the Commission, as a result of which plaintiff claims to have suffered irreparable loss and damage. On January 6, 1950, the complaint was filed, and on April 24, 1950, the court dismissed the complaint (90 Fed. Supp. 361). On August 1, 1950, the case was discontinued because not appealed within the time prescribed by law.

The Hudson Bus Transportation Co., Inc., v. United States, district of New Jersey.

For case history see 1949 Annual Report, page 144. On May 24, 1950, the Commission's order was sustained and the complaint dismissed (90 Fed. Supp. 742).

Asbury Park-New York Transit Corp. v. United States, district of New Jersey.

For case history see 1949 Annual Report, page 144. On May 24, 1950, the Commission's order was sustained and the complaint dismissed (90 Fed. Supp. 742).

Norfolk Southern Bus Corp. v. United States, eastern district of Virginia, Norfolk division.

Suit to set aside report of division 5, dated August 15, 1949, in Docket No. MC-67514 (Sub-No. 1), *Virginia Dare Transportation Co., Inc., Extension—Norfolk*, wherein the Commission, upon further hearing, found public convenience and necessity required (a) operation by applicant as a common carrier by motor vehicle of passengers and their baggage, and of mail, express, and newspapers, in the same vehicle with passengers, at all intermediate points between Norfolk, Va., and Sligo, N. C., on highway 170; and (b) removing from applicant's present certificate a restriction preventing service between Norfolk, on the one hand, and points on applicant's present routes between Sligo and Elizabeth City, N. C., on the other.

On December 23, 1949, the complaint was filed, and on May 16, 1950, the Commission's order was sustained. On August 18, 1950, the case was docketed on appeal to the Supreme Court, and on October 9, 1950, the decision of the lower court was affirmed, *per curiam* (340 U. S. 802).

Rapid Transportation Co. v. United States, District of Massachusetts.

Suit to restrain Commission's order of December 23, 1949, in Docket No. MC-F-3903, *Rapid Transportation Co.—Purchase—Atlas Transportation Co.*, denying Rapid's application for authority to purchase certain operating rights of Atlas Transportation Co. Petition for rehearing was denied by entire Commission on April 3, 1950. On May 1, 1950, the complaint was filed, and on June 27, 1950, the Commission's order was sustained and the complaint dismissed (91 Fed. Supp. 509). On August 29, 1950, the case was discontinued because not appealed within the time prescribed by law.

Middle Atlantic Transportation Co. v. United States, southern district of New York.

Suit to set aside Commission's orders of December 12, 1949 and December 30, 1949, authorizing issuance of notes, entered in Docket No. MC-F-1108, *Keeshin Freight Lines, Inc., Issuance of Notes*, and, pending determination of this action, to stay all future proceedings in MC-F-4401, *Pacific Intermountain Express Company Control—Keeshin Freight Lines, Inc.* On May 11, 1950, the complaint was filed, and on June 8, 1950, after argument on plaintiff's application for interlocutory injunction, the court denied the injunction and set aside the restraining order previously issued. On September 26, 1950, a new bill of complaint was filed.

Champlin Refining Co. v. United States, western district of Oklahoma.

For case history see 1949 Annual Report, page 146. On July 13, 1950, the Commission's order was set aside.

City of Jersey City v. United States, district of New Jersey.

Suit to set aside Commission's order of March 6, 1950, in Docket No. 30170, *Hudson & M. R. Co. Passenger Fares*, 277 I. C. C. 313, wherein the Commission authorized an increase in the passenger fares of Hudson & Manhattan R. R. Co. between points in New Jersey and New York from 10 cents to 15 cents per passenger, effective March 19, 1950. On March 15, 1950, the complaint was filed, on July 10, 1950, the Commission's order was sustained, and on September 15, 1950, the case was discontinued because not appealed within the time prescribed by law.

Russell V. Warner & Geo. H. Tamble, dba Warner & Tamble Transp. Co. v. United States, western district of Tennessee, western division.

Suit to set aside Commission's report of May 17, 1949, in Docket No. W-64, *Warner and Tamble Contract Carrier Application*, 265 I. C. C. 147 and 543, insofar as it has deprived plaintiffs of operating rights under the grandfather clause of section 309 (f), part II, Interstate Commerce Act. On February 9, 1950, the complaint was filed, and on August 9, 1950, the Commission's order was sustained and the complaint dismissed.

United States v. Interstate Commerce Commission, District of Columbia.

For case history see page 137, this volume.

Alabama et al. v. United States, middle district of Alabama, northern division.

For case history see page 136, this volume.

Werner Transportation Co. v. United States, district of Minnesota, fourth division.

For case history, see page 137, this volume.

Brooks Transportation Co. v. United States, eastern district of Virginia.

For case history see page 138, this volume.

Riss & Co., Inc., v. United States, western district of Missouri, western division.

For case history see page 137, this volume.

CASES CONCLUDED

UNITED STATES COURT OF APPEALS, DISTRICT OF COLUMBIA

Riss & Co., Inc., v. Interstate Commerce Commission.

For case history see page 133, this volume.

SUPREME COURT, STATE OF NEW YORK, COUNTY OF NEW YORK

Fashion Fit Knitwear Co., Inc., v. Bleich.

For case history see 1948 Annual Report, page 146.

On April 6, 1950, advice was received that case had been settled out of court.

DISTRICT COURTS OF THE UNITED STATES

Bell Lines, Inc., v. United States, southern district of West Virginia.

For case history see 1949 Annual Report, page 145. On November 21, 1949, the case was discontinued because not appealed within the time prescribed by law.

J. V. Braswell and Braswell Motor Freight Lines v. United States, western district of Texas, El Paso division.

For case history see page 134, this volume.

Hall & Sons v. United States, district of Massachusetts.

For case history see page 134, this volume.

Consolidated Freightways, Inc., v. United States, district of Idaho, southern division.

For case history see 1949 Annual Report, page 142. On April 26, 1950, advice was received case had been discontinued because not appealed within the time prescribed by law.

John J. Casale, Inc., v. United States, district of Delaware.

For case history see 1949 Annual Report, page 145. On May 31, 1950, the case was dismissed by the court on plaintiff's motion.

David Isner v. Interstate Commerce Commission, eastern district of Michigan.

For case history see page 134, this volume.

Rapid Transportation Co. v. United States, district of Massachusetts.

For case history see page 135, this volume.

City of Jersey City v. United States, district of New Jersey.

For case history see page 135, this volume.

Gulf Southwestern Transportation Co. v. Childs, Interstate Commerce Comm., et al., northern district of Texas, Fort Worth division.

For case history see 1949 Annual Report, page 146. On August 14, 1950, the case was dismissed by the court on plaintiff's motion.

Capital Transit Co. v. United States, District of Columbia.

For case history see 1949 Annual Report, page 144. On September 29, 1950, case was dismissed on plaintiff's motion.

State of Alabama et al. v. United States and Interstate Commerce Commission, middle district of Alabama, northern division.

Suit of a civil nature to set aside the report of the entire Commission, dated July 31, 1950, in Docket No. 30455, *Alabama Intrastate Rates and Charges, 1950*, 278 I. C. C. 605, finding that intrastate freight rates and charges in Alabama caused unjust discrimination against interstate commerce, undue preference of, and advantage to, persons and localities in intrastate commerce, and undue prejudice and disadvantage to persons and localities in interstate commerce, and ordering such prejudice and discrimination removed. September 14, 1950, complaint filed. September 22, 1950, hearing on application for temporary restraining order, which, after argument, was denied. Complaint dismissed on motion of plaintiffs without prejudice.

Southern Pacific Co. a corporation, v. United States, northern district of California.

For case history see 1949 Annual Report, page 145. On April 3, 1950, the case was discontinued due to further action of the Commission.

CASES PENDING IN THE COURTS, OCTOBER 31, 1950

SUPREME COURT OF THE UNITED STATES

United States v. The Rock Island Motor Transport Co.

For case history see 1949 Annual Report, page 145, and page 134, this volume.

United States v. The Texas & Pacific Motor Transport Co.

For case history see 1949 Annual Report, page 145, and page 134, this volume.

Alabama Great Southern R. Co. v. United States.

For case history see 1949 Annual Report, page 146, and page 134, this volume.

COURT OF APPEALS, TENTH CIRCUIT

Johnston Seed Co. v. United States.

For case history see page 134, this volume.

DISTRICT COURTS OF THE UNITED STATES

Shawmut Transportation Co. v. United States, district of Massachusetts.

For case history see 1945 Annual Report, page 129. On October 16, 1950, the case was argued and submitted for decision.

International Ry. Co. v. United States, western district of New York.

For case history see 1946 Annual Report, page 135.

Middle Atlantic States Motor Carrier Conference, Inc., v. United States, district of Delaware.

For case history see 1946 Annual Report, page 136.

Great Lakes Steel Corp. v. United States, eastern district of Michigan.

For case history see 1949 Annual Report, page 139. On July 28, 1950, the case was argued and submitted for decision.

Riss & Co. v. United States, western district of Missouri, western division.

For case history see 1947 Annual Report, page 162. On April 17, 1950, the case was argued and submitted for decision, and interlocutory injunction granted.

Riss & Co. v. United States, western district of Missouri, western division.

For case history see 1948 Annual Report, page 147. On April 17, 1950, the case was argued and submitted for decision, and interlocutory injunction granted.

Riss & Co. v. United States, western district of Missouri, western division.

Suit to set aside Commission's order (by division 5), of August 10, 1949, in Docket No. MC-200 (Sub-No. 84), denying plaintiff's application for certificates of public convenience and necessity, and Commission's order of April 19, 1950, denying plaintiff certificates of public convenience and necessity and a hearing on its application pursuant to sections 5, 7, and 8 of the Administrative Procedure Act. On May 2, 1950, the complaint was filed, and on June 9, 1950, the court entered restraining order, holding plaintiff to be entitled to a hearing under the Administrative Procedure Act. On October 17, 1950, the Commission's order was sustained and the restraining order previously granted was vacated.

United States v. Interstate Commerce Commission, District of Columbia.

For case history see 1948 Annual Report, page 143 and 1949 Annual Report, page 139. On April 17, 1950, the case was argued and submitted for decision and on September 29, 1950, the Commission's order was sustained and the complaint dismissed. (92 Fed. Supp. 998).

St. Johnsbury Trucking Co. v. United States, district of Vermont.

For case history see 1948 Annual Report, page 147.

Baltimore & Ohio R. Co. v. Chicago River & Indiana R. Co., northern district of Illinois, eastern division.

For case history see 1948 Annual Report, page 146, and 1949 Annual Report, page 140.

South Brooklyn Ry. Co. v. Keogh, U. S. Attorney, etc., eastern district of New York.

For case history see 1948 Annual Report, page 147.

Hudson Bus Transportation Co., Inc., v. United States, district of New Jersey.

For case history see 1948 Annual Report, page 147, and page 134, this volume.

Asbury Park-New York Transit Corp. v. United States, district of New Jersey.

For case history see 1948 Annual Report, page 148, and page 134, this volume.

Werner Transportation Co. v. United States, district of Minnesota, fourth division.

For case history see 1948 Annual Report, page 148. On April 10, 1950, the case was argued and submitted for decision, and on October 10, 1950, the Commission's order was sustained.

Maurice Kressin v. United States, District of Columbia.

For case history see 1949 Annual Report, page 144.

Jessie C. Engstrom v. United States, district of New Jersey.

For case history see 1949 Annual Report, page 146. On December 27, 1949, an amended complaint was filed, and on January 10, 1950, answer of United States and the Commission to amended complaint was filed.

United States v. Interstate Commerce Commission, et al. District of Columbia.

For case history see 1949 Annual Report, page 146.

Froehling Supply Co. v. United States, northern district of Illinois, eastern division.

Suit to set aside Commission's report and order of June 28, 1949, in Docket No. 30005, *Froehling Supply Co. v. Atchison, Topeka & Santa Fe Ry. Co.*, 274 I. C. C. 513, wherein the Commission found that certain demurrage charges collected, or sought to be collected, for the detention of cars loaded with bolts,

nuts and screws at Chicago, Ill., were not shown to have been unreasonable, and dismissed the complaint. On December 21, 1949, the complaint was filed, and on February 20, 1950, the Commission's answer was filed.

Russell V. Warner & George H. Tumble, dba Warner & Tumble Transp. Co. v. United States, western district of Tennessee, western division.

For case history see page 135, this volume.

Dohrn Transfer Co. v. United States, northern district of Illinois.

Suit to set aside Commission's report and order of July 19, 1949, in Docket No. MC-10761 (Sub-No. 21C), *Transamerican Freight Lines, Inc., Extension—Alternate Routes*, in so far as the Commission finds public convenience and necessity permits operation by Trans-American over routes 1, 2, 3, 6a, 6b, 6c, and 6d, between Indianapolis, Ind., and Peoria, Ill., and points adjacent thereto. On February 1, 1950, the complaint was filed, and on March 1, 1950, the Commission's answer was filed. On October 13, 1950, the case was argued and taken under advisement.

Frank Kornfeind, dba Chicago-Nebraska Motor Express v. United States.

Suit by plaintiff, lessee by assignment of operating authority MC-18859, to set aside an order of the Commission issued August 3, 1949, in MC-FC-31549, finding that said lease had been terminated for failure to comply with the terms thereof, and consequently plaintiff must cease operations under such lease. On March 20, 1950, the complaint was filed, and time for filing the answer has been postponed until 60 days after conclusion of the proceeding before the Commission on rehearing.

W. J. Dillner Transfer Co. v. Interstate Commerce Commission, western district of Pennsylvania.

Suit to set aside Commission's order of January 18, 1950, in Docket No. MC-108068 (Sub-No. 12), *U. S. A. C. Transport, Inc., Dover, Del.*, granting authority to U. S. A. C. Transport, Inc., to transport aircraft, aircraft parts, et cetera, between points in the United States, on the ground that plaintiff had no notice of the application, and that hearings have not been conducted by an examiner under the Administrative Procedure Act.

On March 28, 1950, the complaint was filed, and on July 6, 1950, the Commission's answer was filed. On October 11, 1950, the case was argued before a one-judge court and taken under advisement.

Brooks Transportation Co. v. United States, eastern district of Virginia.

Suit to set aside Commission's report on oral argument, dated November 8, 1949, in Docket No. MC-96541, *Lenoir Chair Co. Contract Carrier Application*, and Docket No. MC-107079, *Schenley Distillers Corp. Contract Carrier Application*, 51 M. C. C. 65, affirming findings in prior reports 48 M. C. C. 259 and 48 M. C. C. 405, that operations by each applicant in the transportation of property to and from points in several States are not those of a common or contract carrier by motor vehicle as defined in the act, and dismissing the complaint. On April 6, 1950, the complaint was filed, and on September 22, 1950, the case was argued and submitted for decision. On October 9, 1950, the Commission's order was sustained.

Middle Atlantic Transportation Co. v. United States, southern district of New York.

For case history see page 135, this volume.

Coastal Tank Lines, Inc., v. United States, District of Columbia.

Suit to set aside Commission's report and order of June 4, 1948, in Docket No. MC-C-870, *Coastal Tank Lines, Inc., v. Charlton Bros. Transp. Co., Inc.* (48 M. C. C. 289) involving the right of Charlton Bros. Transportation Co. to transport petroleum products, in bulk, in tank trucks, under its authority to transport general commodities. On May 24, 1950, the bill of complaint was filed, and on July 7, 1950, the Commission's answer was filed.

Aero Mayflower Transit Co. v. United States, district of Nebraska, Omaha division.

Suit to set aside Commission's report and order of January 20, 1950, in Docket No. MC-8768 (Sub-No. 5), *Security Storage & Van Company, Inc.—Extension—Arizona and California*, finding public convenience and necessity required operation by applicant as a common carrier by motor vehicle of household goods between points in Florida and other southern States to points in Arizona and Pacific Coast States, over irregular routes. On June 26, 1950, the complaint was filed, and on August 31, 1950, the Commission's answer was filed.

Red Ball Motor Freight, Inc., v. United States, northern district of Texas, Fort Worth division.

Suit to set aside Commission's report and order of September 19, 1949, in Docket No. MC-1124 (Sub-No. 61), *Herrin Transp. Co. Extension—Lufkin, Tex.*, granting to Herrin Transportation Co., a certificate of public convenience and necessity authorizing operation by applicant as a common carrier by motor vehicle of general commodities, with certain exceptions, serving Lufkin, Tex., as an intermediate point, in connection with applicant's present authorized regular-route operation between Corsicana, Tex., and De Ridder, La. On July 13, 1950, the complaint was filed, and on September 25, 1950, the Commission's answer was filed.

Swift & Company v. United States, northern district of Illinois, eastern division. Suit to set aside Commission's report and order of July 6, 1949, in Docket No. 29809, *Swift & Co. v. Atchison, T. & S. F. Ry. Co.*, 274 I. C. C. 557, finding published switching charges in addition to line-haul rates for the transportation of livestock, in carloads, for delivery on private sidetracks to be constructed by complainant at Chicago, Ill., which will connect with the Chicago Junction Railway, if the tracks to be constructed will be adequate for deliveries by that carrier at its ordinary operating convenience and without interruption or interference, was not unreasonable or otherwise unlawful and dismissing the complaint. On July 24, 1950, the complaint was filed, and on September 13, 1950, the Commission's answer was filed.

New York, Chicago & St. Louis R. Co. v. United States, northern district of Ohio, eastern division.

Suit to set aside Commission's order of May 2, 1950, in F. D. No. 16426, *Detroit, T. & I. R. Co., Control*, 275 I. C. C. 455, authorizing the Pennsylvania Company and the Wabash R. Co., and through the former, by the Pennsylvania Railroad Co., of control of the Detroit, Toledo & Ironton R. Co., through ownership of capital stock; and also authorizing acquisition by the Pennsylvania Co. and Erie R. Co., and through the former, by the Pennsylvania R. Co., of control of the Springfield Suburban R. Co., through ownership of capital stock. On August 22, 1950, the complaint was filed, and on October 20, 1950, the Commission's answer was filed.

L. A. Tucker Truck Lines, Inc., v. United States, eastern district of Missouri, eastern division.

Suit to set aside Commission's report of January 13, 1950, in Docket No. MC-105120 (Sub-Nos. 3 and 4), *C. L. Cunningham Extension—Missouri and Other States*, wherein the Commission found that public convenience and necessity required operation by applicant as a common carrier by motor vehicle of general commodities, with exceptions, over specified routes, between certain points in Missouri and Illinois and Memphis, Tenn., serving specified intermediate and off-route points, subject to conditions. On September 12, 1950, the complaint was filed.

Wilbur C. King, et al., as and constituting Florida Railroad and Public Utilities Comm'n. v. United States, northern district of Florida, Tallahassee division.

Suit to enjoin, annul and set aside Commission's order of July 25, 1950, making effective its report of May 4, 1950, in Docket No. 30140, *Increases in Florida Intrastate Rates*, 278 I. C. C. 41; requiring respondent railroads to cease and desist, on or before September 28, 1950, and thereafter to abstain from practicing the unjust discrimination and undue preference and advantage found to exist, and further ordering said railroads to establish, on or before September 28, 1950, upon 30 days' notice, and thereafter to maintain and apply for the intrastate transportation of freight from and to points in Florida, freight rates and charges approved in said report. On September 15, 1950, the complaint was filed, and on September 26, 1950, after argument, restraining order was denied. On October 20, 1950, the Commission's answer was filed.

Champlain Refining Co. v. United States and Interstate Commerce Commission.

Suit to set aside and annul the Commission's orders of June 13, 1949, in Dockets Nos. 29912 and 29912 (Sub-No. 1), which requires the Refining Company to comply with the Commission's requirement for the making of annual reports, to keep the uniform system of accounts required of common carriers under section 20 of the Interstate Commerce Act, and for the filing of tariffs with respect to its pipeline operations, respectively. On September 7, 1949, complaint was filed and on October 28, 1949, the Commission's answer was filed. On November 19-21, 1949, the case was argued and the Commission's brief filed. On July 13, 1950, the Commission's order was set aside. On August 28, 1950, hearing was held on findings of fact and conclusions of law proposed by the parties and final

decree entered. On December 5, 1950, an appeal to the Supreme Court was docketed.

Old Colony Furniture Co. v. United States and Interstate Commerce Commission.

Suit to set aside the Commission's report and order of May 28, 1948, in Docket No. 29707, *Old Colony Furniture Co. v. Boston & Maine R.*, 270 I. C. C. 373, affirmed by denial of petition for reconsideration by the entire Commission, dated May 2, 1949, wherein the Commission held rates charged on hardwood automobile body parts, coated with one coat of sealer, primer and enamel, bored, but without metal attachments or reinforcements, in carloads from certain southern and southwestern origins to destinations in Official and Southern Territories, were applicable, and not unreasonable or unduly prejudicial, and dismissed the complaint. On April 28, 1950, petition was filed and on May 25, 1950, intervention and the Commission's answer were filed.

Tennessee Valley Authority v. United States and Interstate Commerce Commission.

Suit to set aside and annul the Commission's order of May 3, 1949, in I. & S. Docket No. 5473, *Switching at Knoxville*, 274 I. C. C. 195, approving schedules of the Southern Railway Company, and Louisville & Nashville Railway Company, effective March 20, 1947, holding the proposed charges to be just and reasonable, and not discriminatory of ex-barge traffic. On July 31, 1949, complaint was filed and on September 25, 1950, intervention and Commission's answer were filed.

APPENDIX C

STATISTICAL SUMMARIES

- A. Statistics of railway development since 1939.
 B. Statistics from monthly and other periodical reports of carriers.

A. Statistics of Railway Development

Data for years preceding 1939 for most of the tables appear in prior reports.

TABLE I.—*Mileage operated and mileage owned by steam railways in the United States, 1939-49*

Year ended Dec. 31—	Road owned in the United States ¹ (first main track)	Total miles of all tracks operated, excluding trackage rights ²	Mileage operated by classes I, II, and III line-haul railways (including trackage rights)			
			First main track	Second or additional main tracks	Yard track and sidings	All tracks
1939.....	235,064	386,819	246,922	41,445	119,983	408,350
1940.....	233,670	385,178	245,740	41,373	118,862	405,975
1941.....	231,971	382,439	244,263	41,166	118,196	403,625
1942.....	229,174	378,570	241,737	41,137	116,753	399,627
1943.....	227,999	377,631	240,745	41,093	116,892	398,730
1944.....	227,335	377,210	240,215	41,178	117,044	398,437
1945.....	226,696	376,772	239,438	41,106	117,510	398,054
1946.....	226,438	376,516	239,069	41,015	117,953	398,037
1947.....	225,806	376,034	238,209	40,954	118,192	397,355
1948.....	225,149	376,173	237,756	40,845	118,602	397,203
1949.....	224,511	376,108	237,564	40,639	119,029	397,203

¹ Includes mileage of some small companies that do not make annual reports to the Commission.

² Includes mileage of classes I, II, and III line-haul railways and switching and terminal companies.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1939-49* ¹

Year ended Dec. 31—	Locomotives							
	Steam		Electric		Diesel-electric		Other	
	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²	Number	Average tractive effort ²
		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>		<i>Pounds</i>
1939.....	43,604	50,395	879	55,661	639	(³)	50	(³)
1940.....	42,410	50,905	900	56,238	967	55,130	56	22,610
1941.....	41,911	51,217	895	56,301	1,517	54,733	52	22,628
1942.....	41,755	51,811	892	56,591	1,978	54,942	46	22,740
1943.....	41,983	52,451	907	56,896	2,476	55,200	40	19,923
1944.....	41,921	52,822	902	56,878	3,432	56,398	50	21,684
1945.....	41,018	53,217	885	57,295	4,301	55,868	49	21,474
1946.....	39,592	53,735	867	58,565	5,008	55,872	44	20,529
1947.....	36,942	54,506	864	58,816	6,495	56,524	43	23,778
1948.....	34,581	55,170	867	59,250	8,981	56,285	45	32,053
1949.....	30,344	56,333	856	59,427	12,025	56,714	47	29,636

See footnotes at end of table.

TABLE II.—*Equipment of steam railways, including switching and terminal companies, in service at the close of each year, 1939-49* ¹—Continued

Year ended Dec. 31—	Cars					
	Freight cars (excluding cabooses)		Passenger train	Coaches		
	Number	Average capacity ²		Number	Average seating capacity ³	Number air-conditioned ³
		<i>Tons</i>				
1939-----	1,680,519	49.7	38,977	17,827	78	4,106
1940-----	1,684,171	50.0	38,308	17,470	77	4,374
1941-----	1,732,673	50.3	38,334	17,490	77	4,784
1942-----	1,773,735	50.5	38,446	17,807	77	5,166
1943-----	1,784,472	50.7	38,331	17,929	77	5,291
1944-----	1,797,012	50.8	38,217	17,842	77	5,316
1945-----	1,787,073	51.1	38,633	17,668	77	5,326
1946-----	1,768,400	51.3	38,697	17,654	77	5,677
1947-----	1,759,758	51.5	39,057	17,542	76	6,180
1948-----	1,785,067	51.9	39,406	17,150	75	6,512
1949-----	1,778,811	52.4	38,006	16,806	75	6,868

¹ Privately owned cars and cars owned or leased by the Pullman Co., are not included. In 1949 privately owned freight-carrying cars numbered 266,102 and cars owned or leased by the Pullman Co., 5,807.

² Class I steam railways.

³ Not available.

TABLE III.—*Railway capital actually outstanding and net income, 1939-49: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Total railway capital	Funded debt unmatured ¹	Preferred stock	Common stock	Ratio of debt to capital	Net income ²	Ratio of net income to stock
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>	<i>Thousands</i>	<i>Percent</i>
1939-----	\$21,193,501	\$11,419,945	\$2,022,266	\$7,751,290	53.9	\$141,134	1.44
1940-----	21,047,280	11,277,306	2,036,121	7,733,853	53.6	243,148	2.49
1941-----	20,707,778	11,208,816	1,952,593	7,546,369	54.1	557,672	5.87
1942-----	20,471,191	10,970,548	1,935,222	7,565,321	53.6	992,843	10.45
1943-----	19,913,582	10,484,259	1,912,119	7,517,204	52.6	946,150	10.03
1944-----	19,402,593	9,954,215	1,984,173	7,464,206	51.3	733,461	7.76
1945-----	18,681,292	9,257,950	1,980,750	7,442,592	49.6	502,250	5.33
1946-----	18,449,437	9,040,901	1,960,995	7,447,541	49.0	334,966	3.56
1947-----	18,050,122	8,824,903	1,975,188	7,250,031	48.9	537,405	5.83
1948-----	18,249,091	9,007,491	1,991,825	7,249,775	49.4	767,949	8.31
1949-----	18,342,568	9,120,246	1,988,169	7,234,153	49.7	496,103	5.38

¹ Does not include long-term debt in default. For class I railways and their nonoperating subsidiaries such debt amounted to \$208,210 (thousands) at the close of 1949.

² Intercorporate duplications not eliminated, but amounts shown correspond with the stock in the second and third preceding columns.

TABLE IV.—*Dividends, 1939-49: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Proportion of stock paying dividends ¹	Amount of dividends ¹	Average rate on—		Dividends declared ²	
			Dividend-paying stock ¹	All stock	On preferred stock	On common stock
	Percent	Thousands	Percent	Percent		
1939.....	32.64	\$179,412	5.62	1.84	\$19,154,336	\$106,799,624
1940.....	38.29	216,522	5.79	2.22	23,540,218	135,774,682
1941.....	40.65	239,438	6.20	2.52	27,445,002	158,400,721
1942.....	56.37	254,088	4.74	2.67	34,422,097	167,848,035
1943.....	57.97	263,919	4.83	2.83	37,046,973	179,496,716
1944.....	58.46	292,248	5.29	3.09	54,577,117	191,401,095
1945.....	57.13	295,294	5.49	3.13	48,448,791	197,543,159
1946.....	55.50	283,171	5.42	3.01	58,649,278	175,932,458
1947.....	56.20	280,397	5.41	3.04	54,759,213	181,706,349
1948.....	69.75	335,313	5.20	3.63	69,244,802	220,001,710
1949.....	64.24	306,995	5.18	3.33	64,223,191	187,723,811

¹ Includes figures for lessors and operating railways without excluding duplications on account of inter-corporate payments. Stock dividends for the last 11 years have been as follows: \$705,000 in 1943 and \$15,800 in 1948.

² By class I line-haul railways.

TABLE V.—*Reported property investment and selected income items, 1939-49: Line-haul railways and their lessor subsidiaries*

Year ended Dec. 31—	Investment ¹	Investment per mile of road	Depreciation reserve	Net railway operating income ²	Other income ³	Fixed charges and other deductions ⁴	Net income
	Thousands		Thousands	Thousands	Thousands	Thousands	Thousands
1939.....	\$25,538,157	\$109,331	\$3,102,779	\$595,961	\$156,050	\$658,505	\$141,134
1940.....	\$25,646,014	110,449	3,095,237	690,554	163,385	662,848	243,148
1941.....	\$25,668,984	111,352	\$3,240,145	1,009,592	169,519	674,455	557,672
1942.....	\$25,838,351	113,364	\$3,561,570	1,499,364	175,296	764,055	992,843
1943.....	\$26,145,458	115,288	\$3,939,562	1,370,569	194,440	686,576	946,150
1944.....	\$26,631,654	117,771	\$4,382,604	1,113,153	202,827	647,064	733,461
1945.....	\$26,967,756	119,664	\$5,549,720	858,864	196,081	602,691	502,250
1946.....	\$27,277,974	121,074	\$5,800,975	624,868	197,105	533,941	334,966
1947.....	\$27,686,103	123,215	\$6,037,033	790,534	211,868	517,330	537,405
1948.....	\$28,664,759	127,625	\$6,279,892	1,014,815	216,775	524,149	767,949
1949.....	\$29,519,832	131,784	\$6,438,177	693,957	238,659	490,133	496,103

¹ Includes investment of operating, lessor, and proprietary companies. Proprietary companies do not render annual reports to the Commission but information concerning them is given in reports of the operating companies.

² This term, as defined in the Interstate Commerce Act, means "railway operating income, including in the computation thereof debits and credits arising from equipment rents and joint facility rents."

³ Includes amounts received as interest or dividends on railroad securities owned by reporting carriers. See Statistics of Railways, table 109. Figures represent classes I, II, and III line-haul railways.

⁴ The interest included represents accruals, not payments. In 1949, the interest accrued on unmatured funded debt and long-term debt in default in excess of payments was \$19,028,854 for class I steam railways. Figures represent classes I, II, and III line-haul railways.

⁵ Includes investment of lessor and proprietary companies, as follows, but excludes investment of proprietary companies in systems which file consolidated annual reports combining the mileage, investment, and other items on a net system basis:

Year	Lessor companies	Proprietary companies	Year	Lessor companies	Proprietary companies
	Thousands	Thousands		Thousands	Thousands
1939.....	\$4,104,416	\$853,848	1945.....	\$3,632,499	\$806,153
1940.....	4,093,043	809,391	1946.....	3,545,819	758,181
1941.....	4,000,275	818,060	1947.....	3,507,365	761,297
1942.....	3,933,048	803,280	1948.....	3,405,052	740,229
1943.....	3,885,103	858,312	1949.....	3,503,617	628,316
1944.....	3,865,708	811,979			

⁶ Includes amortization of defense projects.

TABLE VI.—Operating revenues, operating expenses, and taxes: Class I line-haul railways, 1939-49

Year ended Dec. 31—	Operating revenues	Freight revenues	Passenger revenues	Operating expenses	Railway tax accruals ¹			Ratio of total operating expenses to total operating revenues
					U. S. Gov- ernment taxes	Other than U. S. Gov- ernment taxes	Total	
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1939.....	\$3,905,004	\$3,244,445	\$416,531	\$2,918,210	\$121,082	\$237,363	\$358,445	73.05
1940.....	4,296,601	3,528,782	416,897	3,089,417	183,546	215,179	398,725	71.90
1941.....	5,346,700	4,443,405	514,633	3,664,232	331,047	224,282	555,329	68.53
1942.....	7,465,823	5,944,344	1,028,186	4,601,083	955,352	248,404	1,203,756	61.63
1943.....	9,054,724	6,782,470	1,652,868	5,657,461	1,583,256	270,880	1,854,136	62.48
1944.....	9,436,790	6,998,006	1,790,305	6,282,063	1,564,118	285,791	1,849,909	66.57
1945.....	8,902,248	6,533,767	1,716,379	7,051,627	551,004	275,571	826,575	79.21
1946.....	7,627,651	5,786,556	1,259,169	6,357,415	243,831	256,159	499,990	83.35
1947.....	8,684,918	7,041,185	963,322	6,797,265	655,849	282,528	938,377	78.27
1948.....	9,671,722	7,976,285	964,303	7,472,035	723,325	307,466	1,030,791	77.26
1949.....	8,580,142	7,048,240	860,744	6,891,819	519,517	314,910	834,427	50.32

¹ Includes lessor companies.

TABLE VII.—Number and compensation of employees: Class I line-haul railways, 1939-49

Year ended Dec. 31—	Average number of employees during year ¹	Total hours paid for	Compensation of railway employees ²			
			Total	Average per hour	Ratio to revenues	Ratio to expenses
		<i>Thousands</i>	<i>Thousands</i>		<i>Percent</i>	<i>Percent</i>
1939.....	987,675	2,488,635	\$1,863,334	\$0.749	46.64	63.85
1940.....	1,026,848	2,616,905	1,964,125	.751	45.71	63.58
1941.....	1,139,925	2,989,788	2,331,650	.780	43.61	63.63
1942.....	1,270,687	3,440,957	2,932,070	.852	39.27	63.73
1943.....	1,355,114	3,816,420	3,520,926	.923	38.88	62.24
1944.....	1,414,776	3,996,873	3,857,957	.965	40.88	61.41
1945.....	1,419,505	3,979,637	3,862,001	.970	43.38	54.77
1946.....	1,359,263	3,632,338	4,170,767	1.148	54.68	65.60
1947.....	1,351,863	3,613,296	4,352,047	1.204	50.11	64.03
1948.....	1,326,597	3,545,081	4,768,828	1.345	49.31	63.82
1949.....	1,192,019	3,018,736	4,418,790	1.464	51.50	64.12

¹ This is the average of 12 counts made at middle of month and differs from the number of persons receiving pay during the month of year regardless of whether for a long or short period.² In 1949, \$4,191,955 (thousands) or 94.87 percent of the reported compensation, was chargeable to operating expenses.

TABLE VIII.—Freight transportation service performed by line-haul railways, 1939-49

Year ended Dec. 31—	Revenue tons originated	Revenue tons carried 1 mile	Loaded-car miles	Average haul		Average amount received for each ton originated	Revenue per ton-mile
				United States as a system	For the individual road		
	<i>Thousands</i>	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>	<i>Miles</i>		<i>Cents</i>
1939.....	954,924	335,375	13,639	351.21	193.91	\$3.453	0.983
1940.....	1,069,045	375,369	14,777	351.13	192.75	3.353	.955
1941.....	1,295,860	477,576	18,172	368.54	198.59	3.480	.944
1942.....	1,498,477	640,992	21,536	427.76	217.55	4.022	.940
1943.....	1,556,558	730,132	23,284	469.07	231.23	4.411	.940
1944.....	1,564,780	740,586	24,186	473.28	234.62	4.529	.957
1945.....	1,493,314	684,148	22,669	458.14	230.21	4.431	.967
1946.....	1,431,936	594,943	20,340	415.48	217.54	4.097	.986
1947.....	1,613,148	657,878	21,490	407.82	216.45	4.427	1.085
1948.....	1,580,480	641,104	20,746	405.64	213.85	5.121	1.262
1949.....	1,284,197	529,111	17,948	412.02	218.18	5.569	1.352

TABLE IX.—*Carload, trainload, and density of traffic: Class I line-haul railways, 1939-49*

Year ended Dec. 31—	Ton-mile revenue and nonrevenue freight per loaded freight-car mile	Revenue ton-miles per train-mile	Passenger-miles per car-mile	Passenger-miles per train-mile	Revenue ton-miles per mile of road	Passenger-miles per mile of road
1939.....	26.86	743	13	58	1,427,115	98,559
1940.....	27.59	781	13	61	1,602,009	103,621
1941.....	28.41	845	15	73	2,044,237	128,413
1942.....	31.78	968	22	125	2,760,479	236,400
1943.....	33.29	1,050	31	190	3,168,749	389,839
1944.....	32.60	1,068	32	201	3,222,168	425,012
1945.....	32.18	1,058	30	191	2,979,597	408,333
1946.....	31.24	1,016	25	144	2,596,647	288,945
1947.....	32.56	1,076	21	111	2,869,909	204,854
1948.....	32.88	1,104	19	101	2,808,728	184,701
1949.....	31.29	1,068	18	92	2,321,799	157,929

TABLE X.—*Passenger transportation service performed by line-haul railways, 1939-49*

Year ended Dec. 31—	Passengers carried	Passenger-miles	Average journey per passenger ¹	Average receipts per passenger	Revenue per passenger-mile
	<i>Millions</i>	<i>Millions</i>	<i>Miles</i>		<i>Cents</i>
1939.....	454	22,713	50.02	\$0.920	1.839
1940.....	456	23,816	52.22	.916	1.755
1941.....	489	29,406	60.18	1.056	1.754
1942.....	672	53,747	79.93	1.533	1.917
1943.....	888	87,925	99.05	1.865	1.883
1944.....	916	95,663	104.46	1.958	1.875
1945.....	897	91,826	102.33	1.916	1.872
1946.....	795	64,754	81.47	1.587	1.948
1947.....	707	45,972	65.07	1.366	2.099
1948.....	646	41,224	63.86	1.496	2.342
1949.....	557	35,133	63.11	1.549	2.454

¹ This average is affected by the changing ratio of commutation traffic to the total traffic.

TABLE XI.—*Fuel consumed by steam locomotives, and rails and ties laid: Class I line-haul railways, 1939-49*

Year ended Dec. 31—	Bituminous coal	Anthracite coal	Fuel oil		Total fuel ¹	Rails applied in replacement and betterment (all tracks)	Ties laid in previously constructed tracks	
							Cross ties	Switch and bridge ties
	<i>Net tons</i>	<i>Net tons</i>	<i>Thousands of gallons</i>	<i>Equivalent tons</i>	<i>Net tons</i>	<i>Long tons</i>	<i>Number</i>	<i>Feet (b. m.)</i>
1939.....	73,935,025	719,200	2,334,571	15,020,974	89,718,757	1,719,306	45,088,278	147,044,571
1940.....	79,628,318	285,653	2,502,868	16,118,796	96,066,679	1,911,513	43,620,653	145,553,116
1941.....	91,655,061	432,080	3,025,461	19,497,035	111,616,334	2,228,822	47,224,593	144,599,723
1942.....	109,618,324	263,371	3,905,096	25,128,332	135,037,207	2,250,280	48,616,228	136,944,189
1943.....	122,593,389	280,958	4,433,419	28,511,597	151,411,739	2,409,989	45,439,512	124,097,473
1944.....	122,653,989	197,232	4,511,002	29,048,228	151,928,340	2,878,065	48,032,634	137,780,487
1945.....	115,153,596	138,920	4,413,072	28,482,014	143,806,437	2,955,736	43,912,213	130,520,278
1946.....	100,485,542	145,352	3,869,371	24,904,520	125,567,755	2,302,099	37,562,383	106,204,525
1947.....	100,437,382	41,937	3,788,666	24,428,489	124,941,886	2,531,858	37,289,473	108,159,083
1948.....	88,001,197	99,477	3,358,831	(²)	(²)	2,454,355	36,842,371	119,932,243
1949.....	62,230,168	50,991	2,543,207	(²)	(²)	2,209,032	30,285,046	107,792,738

¹ In the statement of consumption of fuel by locomotives, 1 cord of hardwood is considered as equivalent to $\frac{3}{4}$ of a ton of fuel and 1 cord of softwood as equivalent to $\frac{1}{2}$ of a ton of fuel. The ratio used in reducing fuel oil to equivalent tons of fuel is left to the experience of each road. Figures include data for cordwood, also a small amount of miscellaneous fuel. Does not include equivalent tons for fuel consumed by motive power units, other than steam locomotives.

² Not available.

TABLE XII.—Selected data from annual reports of class I line-haul railways, 1949 and 1948, by districts

Item	All districts		Eastern district	
	Year ended Dec. 31—			
	1949	1948	1949	1948
Railway operating revenues (thousands)	\$8, 580, 142	\$9, 671, 722	\$3, 320, 372	\$3, 823, 663
Railway operating expenses:				
Total (thousands)	\$6, 891, 819	\$7, 472, 035	\$2, 755, 136	\$3, 063, 408
Maintenance of way and structures (thousands) ..	\$1, 283, 529	\$1, 348, 000	\$447, 778	\$500, 246
Maintenance of equipment (thousands)	\$1, 607, 333	\$1, 702, 944	\$654, 557	\$722, 624
Transportation—rail line (thousands)	\$3, 415, 794	\$3, 821, 198	\$1, 438, 009	\$1, 617, 977
Net railway operating income (thousands)	\$686, 487	\$1, 002, 011	\$211, 921	\$334, 480
Freight-service statistics:				
Freight revenue (thousands)	\$7, 051, 503	\$7, 979, 931	\$2, 604, 513	\$3, 039, 351
Revenue tons originated (thousands)	1, 226, 503	1, 506, 878	458, 544	589, 289
Total revenue tons carried (thousands)	2, 303, 080	2, 847, 897	1, 028, 445	1, 329, 872
Revenue tons carried 1 mile (thousands)	526, 500, 360	637, 916, 742	176, 290, 632	221, 163, 528
Revenue per ton-mile (cnts)	1.34	1.25	1.48	1.37
Revenue ton-miles per mile of road	2, 321, 799	2, 808, 728	3, 293, 011	4, 121, 253
Freight train-miles (thousands)	498, 573	584, 671	153, 731	183, 795
Revenue ton-miles per train-mile	1, 068	1, 104	1, 166	1, 225
Loaded car-miles (thousands)	17, 866, 445	20, 651, 602	5, 713, 891	6, 806, 504
Empty car-miles (thousands)	10, 155, 388	10, 803, 360	3, 301, 905	3, 520, 413
Ton-miles revenue and nonrevenue freight per loaded car-mile	31.29	32.88	32.32	34.13
Average haul per road (miles)	228.6	224.0	171.4	166.3
Passenger-service statistics:				
Passenger revenue (thousands)	\$860, 648	\$964, 089	\$453, 339	\$494, 669
Passengers carried (thousands)	554, 430	642, 781	403, 610	469, 078
Passenger-miles (thousands)	35, 094, 501	41, 179, 040	17, 352, 140	20, 536, 999
Revenue per passenger-mile (cents)	2.45	2.34	2.61	2.41
Passenger-miles per mile of road	157, 929	184, 701	337, 288	399, 125
Average jouny per passenger (miles)	63.30	64.06	42.99	43.78
Passenger-miles per train-mile	92	101	114	124

Item	Southern district		Western district	
	Year ended Dec. 31—			
	1949	1948	1949	1948
Railway operating revenues (thousands)	\$1, 659, 643	\$1, 902, 011	\$3, 600, 127	\$3, 946, 048
Railway operating expenses:				
Total (thousands)	\$1, 315, 603	\$1, 447, 817	\$2, 821, 080	\$2, 960, 810
Maintenance of way and structures (thousands) ..	\$263, 664	\$278, 749	\$572, 087	\$569, 005
Maintenance of equipment (thousands)	\$315, 985	\$342, 834	\$636, 791	\$637, 486
Transportation—rail line (thousands)	\$619, 747	\$704, 941	\$1, 358, 038	\$1, 498, 280
Net railway operating income (thousands)	\$159, 440	\$234, 052	\$315, 126	\$433, 479
Freight-service statistics:				
Freight revenue (thousands)	\$1, 412, 782	\$1, 627, 800	\$3, 034, 208	\$3, 312, 780
Revenue tons originated (thousands)	313, 073	398, 548	454, 886	524, 041
Total revenue tons carried (thousands)	519, 356	647, 828	755, 279	870, 197
Revenue tons carried 1 mile (thousands)	117, 900, 405	149, 527, 103	232, 309, 323	267, 226, 111
Revenue per ton-mile (cents)	1.20	1.09	1.31	1.24
Revenue ton-miles per mile of road	2, 556, 849	3, 236, 401	1, 828, 044	2, 100, 640
Freight train-miles (thousands)	109, 112	132, 583	235, 730	268, 293
Revenue ton-miles per train-mile	1, 088	1, 137	996	1, 006
Loaded car-miles (thousands)	3, 592, 686	4, 310, 155	8, 559, 868	9, 534, 943
Empty car-miles (thousands)	2, 178, 096	2, 409, 174	4, 675, 387	4, 873, 773
Ton-miles revenue and nonrevenue freight per loaded car-mile	34.84	37.01	29.11	30.13
Average haul per road (miles)	227.0	230.8	307.6	307.1
Passenger-service statistics:				
Passenger revenue (thousands)	\$132, 188	\$150, 107	\$275, 121	\$319, 313
Passengers carried (thousands)	64, 749	77, 115	86, 071	96, 588
Passenger-miles (thousands)	5, 369, 779	6, 432, 550	12, 372, 582	14, 209, 491
Revenue per passenger-mile (cents)	2.46	2.33	2.22	2.25
Passenger-miles per mile of road	118, 316	139, 914	98, 676	113, 205
Average journey per passenger (miles)	82.93	83.41	143.75	147.12
Passenger-miles per train-mile	80	89	77	84

B. Statistics From Monthly and Other Periodical Reports of Carriers

TABLE A.—*Analysis of operating revenues, expenses, and income, class I steam railways, excluding switching and terminal companies, 1950-49*

Item	8 months, January to August, inclusive		Calendar year
	1950	1949	1949
Operating revenues:			
Freight.....	\$4,923,460,513	\$4,774,694,932	\$7,048,403,720
Passenger.....	530,367,811	591,303,118	860,743,643
Mail.....	142,011,689	143,089,347	222,774,291
Express.....	47,740,374	49,341,021	79,531,060
All other.....	242,083,730	254,380,606	368,868,942
Total.....	5,885,664,117	5,812,809,024	8,580,321,656
Percent of total:			
Freight.....	83.65	82.14	82.14
Passenger.....	9.01	10.17	10.03
Mail.....	2.41	2.46	2.60
Express.....	.81	.85	.93
All other.....	4.12	4.38	4.30
Operating expenses:			
Maintenance of way and structures.....	\$838,930,416	\$898,261,011	\$1,253,511,698
Maintenance of equipment.....	1,094,771,670	1,101,976,396	1,607,295,611
Traffic.....	127,274,753	130,969,253	194,352,351
Transportation.....	2,246,228,129	2,317,000,237	3,415,831,685
General.....	179,688,609	184,407,003	272,811,822
All other.....	72,629,394	80,239,662	117,991,687
Total.....	4,559,522,971	4,712,853,562	6,801,794,854
Percent of total:			
Maintenance of way and structures.....	18.40	19.06	18.62
Maintenance of equipment.....	24.01	23.38	23.32
Traffic.....	2.79	2.78	2.82
Transportation.....	49.27	49.17	49.57
General.....	3.94	3.91	3.96
All other.....	1.59	1.70	1.71
Railway tax accruals.....	\$650,876,004	\$559,291,862	\$832,691,915
Equipment rents—debit.....	\$92,177,965	\$83,508,869	131,059,026
Joint facility rents—debit.....	\$26,245,047	\$25,361,803	38,260,804
Net railway operating income.....	\$556,842,130	\$431,792,928	686,515,057
Other income.....	\$146,930,577	\$138,191,359	254,497,492
Interest, rents, and other deductions.....	\$335,851,661	\$327,791,224	502,943,937
Net income.....	\$367,921,046	\$242,193,063	438,068,612

TABLE B.—Selected operating averages in freight and passenger service of class I steam railways in the United States, 1950-49

Item	8 months, January to August, inclusive		Calendar year
	1950	1949	1949
Average miles of road operated, freight service.....	225,407	225,527	225,532
Average miles of road operated, passenger service.....	151,236	157,477	156,898
Net ton-miles per mile of road per day.....	7,179	7,015	6,814
Percent of freight locomotives unserviceable.....	20.4	16.6	17.7
Percent of freight cars unserviceable.....	6.8	5.5	6.0
Percent of loaded of total car-miles.....	65.4	63.3	63.7
Percent east-bound or north-bound of loaded car-miles..	55.3	55.8	56.2
Car-miles per car-day.....	41.2	40.1	39.3
Net ton-miles per car-day.....	845	811	788
Net ton-miles per loaded car-mile.....	31.4	32.0	31.4
Car miles per train-mile.....	58.4	56.7	56.8
Gross ton-miles per train-mile (excluding locomotives and tenders).....	2,645	2,541	2,534
Net ton-miles per train-mile (including nonrevenue tons).....	1,199	1,149	1,138
Average miles per hour, trains in freight service.....	17.0	16.9	16.9
Pounds of coal per 1,000 gross ton-miles (including locomotives and tenders).....	120	120	122
Average cost of coal per ton (including freight charges).....	\$5.34	\$5.21	\$5.18
Revenue per ton-mile.....	\$0.01328	\$0.01328	\$0.01340
Average haul per revenue ton per railroad.....	228.3	224.1	227.7
Number of freight-train miles.....	332,171,642	338,762,646	498,848,911
Number of passenger-train miles.....	235,292,330	258,273,156	380,307,127
Number of passenger-train car-miles.....	2,215,218,436	2,360,489,419	3,505,232,665
Passenger-train cars per train.....	9.41	9.14	9.22
Revenue per passenger per mile:			
Including commutation passengers.....	\$0.0255	\$0.0244	\$0.0245
Excluding commutation passengers.....	\$0.0273	\$0.0262	\$0.0264

TABLE C.—Average number of employees and total compensation, by groups of employees, class I steam railways, excluding switching and terminal companies, 1950-49

Groups of employees	Calendar year 1949		8 months, January to August, inclusive	
	Average number of employees middle of month	Total compensation	Average number of employees middle of month	
			1950	1949
I. Executives, officials, and staff assistants.....	15,407	\$125,558,666	15,187	15,479
II. Professional, clerical, and general.....	206,490	739,179,614	202,708	209,822
III. Maintenance of way and structures.....	235,051	674,793,850	227,512	248,002
IV. Maintenance of equipment and stores.....	320,782	1,118,481,796	337,675	329,490
V. Transportation (other than train, engine, and yard).....	146,582	500,433,203	144,908	146,283
VI. (a) Transportation (yardmaster, switch tenders, and hostlers).....	15,882	75,735,311	15,607	16,278
VI. (b) Transportation (train and engine service).....	251,250	1,185,250,876	244,893	256,753
All employees.....	1,191,444	4,419,433,316	1,188,490	1,222,107

TABLE D.—*Carloads and tons of revenue freight originated and freight revenue, by commodities, calendar year 1949, class I steam railways*

Commodity groups	Number of carloads	Number of tons (2,000 pounds)	Freight revenue
Products of agriculture:			
Wheat.....	701,636	37,334,971	\$224,685,578
Corn.....	378,742	19,519,676	104,406,305
Other grains.....	328,274	14,887,552	91,629,396
Flour, wheat.....	292,110	9,579,502	63,255,432
Other mill products.....	382,204	10,689,477	58,108,729
Cotton in bales.....	242,159	4,263,502	49,509,997
Citrus fruits.....	93,497	1,969,576	59,911,908
Other fresh fruits.....	242,085	3,377,807	102,385,153
Potatoes, other than sweet.....	254,991	5,161,652	88,768,860
Other fresh vegetables.....	247,019	3,173,241	107,298,336
Sugar beets.....	144,498	6,321,752	5,982,679
All other.....	771,221	24,104,136	179,888,830
Total.....	4,078,436	140,382,844	1,135,831,203
Animals and products:			
Live animals.....	541,564	5,949,917	82,387,534
Meats and other edible packing-house products.....	362,968	5,342,079	136,654,927
Poultry, live and dressed.....	11,915	186,506	7,144,279
Dairy products.....	44,790	739,642	19,539,866
Wool and mohair.....	19,787	297,181	7,154,264
Hides and leather.....	34,048	902,092	16,071,571
All other.....	60,672	1,866,849	19,550,625
Total.....	1,075,744	15,284,266	288,503,066
Products of mines:			
Anthracite coal ¹	664,975	36,859,430	111,535,656
Bituminous coal.....	5,236,170	303,200,497	908,353,443
Coke.....	504,137	18,538,749	51,577,080
Iron ore.....	1,448,582	91,351,049	146,038,519
Other ores and concentrates.....	191,680	11,002,319	48,722,593
Gravel and sand.....	1,015,840	60,038,911	79,413,424
Stone and rock: Broken, ground, and crushed.....	750,643	43,201,489	60,428,893
Fluxing stone and raw dolomite.....	237,628	15,504,631	23,689,928
Crude petroleum.....	139,169	5,083,362	19,138,643
Phosphate rock.....	314,998	17,685,149	53,969,589
All other.....	991,705	51,292,869	180,370,477
Total.....	11,495,527	653,758,455	1,683,238,245
Products of forests:			
Logs, butts, and bolts.....	358,073	13,060,171	14,343,276
Posts, poles, and piling, wooden.....	121,885	3,611,312	27,316,388
Pulpwood.....	503,851	20,241,866	38,002,210
Lumber, shingles, and lath.....	742,366	23,468,053	334,219,719
All other.....	313,312	8,875,900	70,646,016
Total.....	2,039,487	69,257,302	484,527,609
Manufactures and miscellaneous:			
Refined petroleum products.....	1,310,143	37,579,417	267,367,146
Vegetable oils.....	104,380	3,128,391	40,762,757
Chemicals.....	453,887	17,946,361	174,160,709
Fertilizers, n. o. s.....	370,506	15,562,928	86,823,680
Metals and alloys, other than iron and steel.....	112,961	4,785,918	68,851,430
Pig iron.....	100,761	5,634,379	22,397,383
Semi-finished iron and steel.....	248,042	13,984,147	50,730,691
Manufactured iron and steel.....	1,200,329	42,900,513	459,223,058
Vehicles and parts, motor and other.....	884,843	11,832,864	314,767,551
Cement, natural and portland.....	583,126	27,645,911	116,988,477
Paper and paper products.....	825,446	20,052,949	269,554,597
Alcoholic beverages.....	183,170	5,196,398	86,689,198
Sugar.....	133,027	5,453,262	47,662,199
Food products, n. o. s., in cans and packages, not frozen.....	374,931	9,884,425	163,008,224
Feed, animal and poultry, n. o. s.....	500,163	13,618,087	69,664,384
Containers, metal, wooden, and paper.....	522,924	6,623,842	84,337,934
Scrap iron and steel.....	379,090	16,471,420	65,252,388
All other.....	2,721,994	73,262,218	878,766,366
Total.....	11,009,723	331,563,430	3,267,008,172
Forwarder traffic:	230,129	3,664,615	126,601,381
Grand total carload traffic.....	29,929,046	1,213,910,912	6,985,709,676
All l. c. l. freight.....		12,592,184	396,994,538
Grand total, carload and l. c. l.....		1,226,503,096	7,382,704,214

¹Excludes coal to breakers and washeries.

TABLE E.—*Summary of casualties to persons on steam railways in the United States, for the years ended Dec. 31, 1949, 1948, 1947, 1946, and 1945*

Class of persons	Number of persons									
	Killed					Injured				
	1949	1948	1947	1946	1945	1949	1948	1947	1946	1945
1. Trespassers.....	1,180	1,339	1,368	1,506	1,497	913	955	1,006	978	1,003
2. Employees:										
Trainmen on duty.....	212	299	357	359	474	10,336	14,559	16,744	17,052	21,392
Other employees.....	141	178	255	235	326	1,532	1,697	2,171	2,426	3,323
Total employees.....	353	477	612	594	800	11,868	16,256	18,915	19,478	24,715
3. Passengers on trains.....	26	43	65	103	132	2,498	3,518	4,156	4,618	4,722
4. Travelers not on trains.....	6	9	9	13	10	43	82	81	86	95
5. Persons carried under contract.....	5	7	14	9	12	219	307	339	276	378
6. Other nontrespassers.....	1,593	1,697	1,876	1,942	2,014	4,062	4,580	4,648	4,850	4,856
Total, train and train-service accidents (1 to 6).....	3,163	3,572	3,944	4,167	4,465	19,603	25,698	29,145	30,286	35,769
7. Casualties in nontrain accidents.....	144	196	221	195	226	12,508	17,393	19,652	21,721	25,712
Total, 1 to 7.....	3,307	3,768	4,165	4,362	4,691	32,111	43,091	48,797	52,007	61,481
8. Casualties at grade crossings ¹	1,507	1,612	1,790	1,851	1,903	3,774	4,255	4,251	4,397	4,446
9. Casualties excluded from all totals ²	119	115	120	146	121	12	16	22	19	34

¹ Included in total for items 1 to 6, and distributed under various heads, chiefly item 6.² Figures relate to suicides, persons mentally deranged, and persons attempting to escape custody.

TABLE F.—*Revenues, expenses, and income of class I motor carriers*¹ of property for the calendar year 1949 compared with those of the same carriers for 1948²

Item	Total carriers reported	
	1949	1948
<i>Intercity carriers</i>		
Number of carriers represented.....	1, 817	1, 817
Revenues:		
Freight revenue—Intercity—Common carrier.....	\$1, 691, 414, 251	\$1, 535, 987, 081
Freight revenue—Intercity—Contract carrier.....	124, 086, 121	107, 567, 054
Freight revenue—Local service.....	21, 251, 349	20, 747, 422
Revenue—Transportation for other class I motor carriers.....	12, 950, 220	9, 968, 933
Other operating revenue.....	8, 217, 575	7, 791, 437
Total operating revenues.....	1, 857, 919, 516	1, 682, 061, 927
Expenses:		
Equipment maintenance and garage expense.....	202, 199, 880	197, 099, 841
Transportation expense.....	879, 815, 342	770, 328, 542
Terminal expense.....	197, 187, 059	176, 449, 777
Traffic expense.....	46, 729, 964	37, 457, 883
Insurance and safety expense.....	107, 568, 281	99, 228, 584
Administrative and general expense.....	127, 046, 036	114, 127, 120
Total operation and maintenance expenses.....	1, 560, 546, 562	1, 394, 691, 747
Depreciation expense.....	73, 772, 127	63, 091, 093
Depreciation adjustment.....	2, 285, 201	2, 230, 996
Amortization chargeable to operations.....	146, 781	173, 385
Operating taxes and licenses.....	81, 539, 528	74, 522, 469
Operating rents—net.....	46, 403, 961	39, 572, 518
Total expenses.....	1, 760, 123, 758	1, 569, 820, 216
Operating ratio (percent).....	94. 7	93. 3
Net operating revenue.....	\$97, 795, 758	\$112, 241, 711
Other income.....	8, 966, 337	9, 649, 600
Other deductions.....	11, 784, 108	11, 549, 863
Net income before income taxes.....	94, 977, 987	110, 341, 448
Net income after income taxes ³	63, 431, 825	76, 631, 517
<i>Local carriers</i>		
Number of carriers represented.....	604	604
Total operating revenues.....	\$250, 935, 059	\$263, 933, 152
Total expenses.....	245, 374, 512	253, 278, 772
Operating ratio (percent).....	97. 8	96. 0
Net operating revenues.....	\$5, 560, 547	\$10, 654, 380
Other income.....	7, 727, 519	9, 837, 696
Other deductions.....	2, 152, 077	1, 890, 128
Net income before income taxes.....	11, 135, 989	18, 601, 948
Net income after income taxes ³	7, 450, 185	13, 425, 623

¹ Class I motor carriers are those having average gross operating revenues of \$100,000 or over annually.² This table does not include the reports of 274 carriers that failed to furnish complete reports. The total figures for these 274 carriers amounted to the following for the 12 months' period: Operating revenues, \$70,053,854; operation and maintenance expenses, \$58,059,687; other expenses, \$8,711,463; total expenses, \$66,771,150; net operating revenue, \$3,282,704; net income before income taxes, \$3,531,164; net income after income taxes, \$2,593,770.³ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations, and therefore, are not reported to the Commission.

TABLE G.—Revenues, expenses, and income of class I motor carriers ¹ of passengers for the calendar year 1949 compared with those of the same carriers for 1948 ²

Item	Total carriers reported	
	1949	1948
<i>Intercity carriers</i>		
Number of carriers represented.....	264	264
Operating revenues:		
Passenger revenue—Intercity schedules.....	\$347,121,982	\$375,166,090
Passenger revenue—Local and suburban schedules.....	19,684,044	19,952,915
Passenger revenue—Charter or special service.....	11,653,051	11,059,643
Other operating revenue.....	14,955,020	14,230,298
Total operating revenues.....	393,414,097	420,408,946
Operating expenses:		
Equipment maintenance and garage expense.....	75,633,443	80,704,095
Transportation expense.....	118,875,360	124,147,549
Station expense.....	39,355,311	39,995,826
Traffic, solicitation, and advertising expense.....	11,751,223	11,652,214
Insurance and safety expense.....	16,806,104	18,224,241
Administrative and general expense.....	28,183,171	27,325,154
Total operation and maintenance expenses.....	290,604,612	302,049,079
Depreciation expense.....	31,846,074	28,026,817
Amortization chargeable to operations.....	109,304	170,757
Operating taxes and licenses.....	31,803,517	33,391,526
Operating rents—net.....	4,975,200	5,165,828
Total expenses.....	359,338,707	368,804,007
Operating ratio (percent).....	91.3	87.7
Net operating revenue.....	\$34,075,390	\$51,604,939
Other income.....	2,492,518	3,142,749
Other deductions.....	3,573,376	3,818,924
Net income before income taxes.....	32,994,532	50,928,764
Net income after income taxes ³	19,965,957	31,522,040
<i>Local carriers</i>		
Number of carriers represented.....	102	102
Total operating revenues.....	\$90,389,704	\$94,487,759
Total expenses.....	85,015,622	87,002,286
Operating ratio (percent).....	94.1	92.1
Net operating revenue.....	\$5,374,082	\$7,485,473
Other income.....	1,207,987	1,100,655
Other deductions.....	1,792,734	1,617,640
Net income before income taxes.....	4,789,335	6,968,488
Net income after income taxes ³	2,701,506	4,252,923

¹ Class I motor carriers are those having average gross operating revenues of \$100,000 or over annually.² This table does not include the reports of 15 carriers that failed to furnish complete reports. The total figures for these 15 carriers amounted to the following for the 12 months' period: Operating revenues, \$2,558,836; operations and maintenance expenses, \$1,948,980; other expenses, \$556,513; total expenses, \$2,505,493; net operating revenue, \$53,343; net income before income taxes, \$33,651; net income after income taxes, \$6,638.³ Net income is overstated to the extent that income taxes are reported by corporations only. Income taxes of sole proprietorships and partnerships involve factors that do not arise from motor-carrier operations and, therefore, are not reported to the Commission.

TABLE H.—*Revenues, expenses, and statistics of freight forwarders for the years 1949 and 1948*¹

Item	Total carriers reported	
	1949	1948
Number of forwarders represented.....	56	56
Operating revenues:		
Transportation revenues.....	\$239, 557, 251	\$263, 424, 263
Transportation purchased—Dr.:		
Railroad transportation.....	128, 450, 743	145, 806, 055
Motor transportation.....	29, 606, 789	29, 192, 946
Water transportation.....	1, 505, 552	866, 579
Pickup, delivery, and transfer service.....	24, 106, 672	25, 350, 499
Other transportation purchased.....	475, 206	439, 301
Total transportation purchased.....	184, 144, 962	201, 655, 380
Forwarder revenue from transportation.....	55, 412, 289	61, 768, 883
Incidental revenues.....	1, 942, 741	2, 014, 465
Total operating revenues.....	57, 355, 030	63, 783, 348
Operating expenses:		
Salaries, wages, and expenses of employees.....	33, 875, 660	34, 239, 865
Paid to others for services rendered.....	10, 130, 522	11, 561, 125
Operating rents.....	2, 136, 282	1, 860, 790
Communication and postage.....	2, 069, 814	2, 072, 078
Pay-roll taxes.....	1, 199, 520	1, 224, 860
All other operating expense.....	4, 977, 763	5, 713, 770
Total operating expenses.....	54, 389, 561	56, 722, 458
Income items:		
Revenue from forwarder operations.....	2, 965, 469	7, 060, 560
Transportation tax accruals.....	164, 607	185, 155
Revenues, less taxes, from forwarder operations.....	2, 800, 862	6, 875, 705
Other income.....	88, 614	160, 237
Total income.....	2, 889, 476	7, 035, 942
Miscellaneous deductions from income.....	82, 499	255, 380
Net income before fixed charges and income taxes.....	2, 806, 977	6, 780, 562
Fixed charges:		
Interest on long-term debt.....	11, 284	11, 750
Other fixed charges.....	35, 699	28, 794
Total fixed charges.....	46, 983	40, 544
Net income before provisions for income taxes.....	2, 759, 994	6, 740, 018
Provisions for income taxes.....	998, 089	2, 463, 615
Net income.....	1, 761, 905	4, 276, 403
Statistics:		
Tons of freight received from shippers.....	3, 597, 836	4, 047, 984
Number of shipments received from shippers.....	16, 973, 151	17, 477, 898

¹ Confined to forwarders having gross revenues of \$100,000 or more per annum.

TABLE I.—Selected statistics of private car owners,¹ year 1949

Item	Refrigerator cars	Tank cars		Other cars ²	Total
		Petroleum	Other		
Cars owned at close of year-----	111,928	126,603	11,315	13,197	263,043
Serviceable cars-----	104,433	121,424	10,769	12,870	249,496
Unserviceable cars-----	7,495	5,179	546	327	13,547
Miles made by owned cars (thousands):					
Loaded-----	2,086,252,786	965,455,791	63,307,555	41,366,812	3,156,382,944
Empty-----	1,515,560,529	970,392,579	64,204,556	41,662,064	2,591,819,728
Not separable-----	188,601,787	59,739,644	12,057,714	41,115,200	301,514,245
Total-----	3,790,415,102	1,995,587,914	139,569,825	124,144,076	6,049,716,917
Revenue receivable, on—(thousands):					
Car mileage basis-----	\$101,978,660	\$39,865,744	\$2,922,311	\$1,909,233	\$146,675,948
Car rental basis-----	696,793	8,730,025	300,077	1,996,996	11,723,891
Other car service basis-----	219,450	630	97,997	540	318,617
Total-----	102,894,903	48,596,399	3,320,385	3,906,769	158,718,456

¹ Confined to owners of 10 or more cars. Compiled from reports of 214 owners.² Includes such cars as stock, gondola, hopper, air dump, box, cradle, flat, vat, etcetera.

TABLE J.—Selected financial and operating data of oil pipeline companies, 1949, 1948, and 1947

Item	1949	1948	1947
Miles of line operated:			
Gathering lines-----	47,212	47,036	45,909
Trunk lines-----	77,772	77,056	73,389
Investment in carrier property-----	\$1,497,578,988	\$1,381,402,464	\$1,225,168,434
Capital stock ¹ -----	\$235,699,492	\$235,376,467	\$233,815,067
Funded debt unmaturred ¹ -----	\$312,953,715	\$203,806,644	\$105,543,388
Accrued depreciation—carrier property ² -----	\$696,760,831	\$673,647,605	\$647,123,151
Operating revenues-----	\$376,452,116	\$377,034,023	\$325,223,884
Operating expenses-----	\$249,368,200	\$252,970,772	\$214,681,999
Pipeline taxes:			
U. S. Government taxes-----	\$49,074,907	\$52,453,499	\$44,369,699
Other than U. S. Government taxes-----	\$14,726,770	\$12,804,107	\$11,757,038
Pipeline operating income-----	\$63,282,239	\$58,805,645	\$54,415,148
Net income-----	\$57,743,412	\$56,679,058	\$53,144,549
Dividend appropriations ¹ -----	\$26,671,655	\$21,659,932	\$23,642,591
Number of barrels of oil received into system-----	2,461,528,918	2,719,541,992	2,481,560,519
Number of barrel-miles (trunk lines):			
Crude oil (thousands)-----	497,178,743	513,497,782	465,503,961
Refined oils (thousands)-----	92,562,756	85,087,129	71,554,783
Total employees:			
Average number-----	27,386	28,563	27,055
Compensation-----	\$116,856,618	\$118,080,993	\$101,128,010

¹ Excludes data for 13 companies in 1949, 15 companies in 1948 and 13 companies in 1947, as the annual reports filed by these companies relate to pipeline departments of large oil companies and these items are not segregated for the pipeline departments.² Includes "Amortization reserve" as follows: 1949, \$73,051,421; 1948, \$73,754,252; and 1947, \$73,603,508.

TABLE K.—*Revenues and traffic of carriers by water, 1949 and 1948*¹

Item	1949	1948
Freight revenues.....	\$205,553,970	\$167,256,566
Number of tons of revenue freight carried.....	68,260,592	70,330,398
Passenger revenue.....	\$13,653,196	\$15,006,119
Number of revenue passengers carried.....	7,297,323	8,269,075

¹ Compiled from quarterly reports of 123 carriers of classes A and B.TABLE L.—*Selected financial and operating data of electric railways, 1949, 1948, and 1947*

Item	1949	1948	1947
Miles of road operated.....	1,986	2,193	2,456
Investment in road and equipment.....	\$256,077,660	\$260,439,898	\$270,384,228
Capital stock.....	\$94,744,283	\$95,354,109	\$95,463,304
Unmatured funded debt.....	\$39,472,580	\$39,024,114	\$40,241,726
Accrued depreciation—road and equipment.....	\$54,481,345	\$51,701,600	\$51,224,959
Railway operating revenues:			
Freight revenue.....	\$31,917,985	\$35,231,749	\$35,304,874
Passenger revenue.....	\$30,273,531	\$33,027,522	\$35,160,753
All other revenues.....	\$7,990,232	\$8,844,573	\$9,057,181
Total railway operating revenues.....	\$70,181,743	\$77,103,844	\$79,522,808
Total railway operating expenses.....	\$63,512,982	\$67,551,173	\$71,452,104
Taxes assignable to railway operations:			
Other than U. S. Government taxes.....	\$2,215,868	\$2,324,646	\$2,245,114
U. S. Government taxes.....	\$3,594,015	\$4,280,668	\$5,172,091
Operating income.....	\$918,756	\$3,030,627	\$752,219
Net income.....	\$23,856	\$1,961,127	\$1,004,533
Dividends declared.....	\$1,257,276	\$2,526,000	\$1,867,820
Employees:			
Average number.....	11,887	13,110	14,804
Compensation.....	\$40,457,094	\$41,748,336	\$43,500,784

Deficit shown in italics.

APPENDIX D

AUTHORIZATIONS UNDER VARIOUS SECTIONS OF THE INTERSTATE COMMERCE AND TRANSPORTATION ACTS, AND LOANS UNDER THE RECONSTRUCTION FINANCE CORPORATION ACT

*Certificates of convenience and necessity for construction of lines of railroad under
sec. 1 (18) of the Interstate Commerce Act, as amended*

Name of applicant	Location of line	Miles
Chicago G. W. Ry. Co.....	Mower County, Minn.....	0. 239
Chicago, R. I. & Pac. R. Co.....	Adams and Denver Counties, Colo.....	3. 910
Kansas City S. Ry. Co.....	Cherokee County, Kans.....	. 056
McCloud R. R. Co.....	Siskiyou County, Calif.....	5. 300
New York, S. & W. R. Co. trustee.....	Hudson County, N. J.....	. 606
Oregon-Washington R. & N. Co. and Union Pac. R. Co.....	Umatilla County, Oreg.....	17. 150
Pittsburgh, C. C. & St. L. R. Co. and Penn- sylvania R. Co.....	Harrison County, Ohio.....	4. 000
Pittsburgh, C. C. & St. L. R. Co., Pennsylv- ania R. Co. and Wheeling & L. E. Ry. Co.....	do.....	2. 300
St. Louis-S. F. Ry. Co.....	Cherokee County, Kans.....	. 050
Seaboard Air Line R. Co.....	Dade County, Fla.....	3. 700
South Buffalo Ry. Co.....	Erie County, N. Y.....	1. 800
Union Ry. Co.....	Shelby County, Tenn.....	1. 730
Wheeling & L. E. Ry. Co.....	Harrison County, Ohio.....	2. 200
Total number of miles.....		43. 041

	<i>Miles</i>
12 applications filed involving.....	83. 500
13 certificates issued authorizing construction of.....	43. 041
1 application denied involving.....	4. 500
1 application dismissed involving.....	1. 590
Authorized since effective date of act.....	10, 833
Portion thereof actually constructed.....	7, 758
Portion thereof deferred or abandoned.....	2, 885
Portion in which time for construction has not expired.....	190

*Certificates of convenience and necessity for abandonment of lines of railroad
or the operation thereof, issued under sec. 1 (18) of the Interstate Commerce Act, as
amended*

Name of applicant	Location of line	Miles
Alton & S. R.....	St. Clair County, Ill.....	5. 720
Atlantic Coast Line R. Co.....	Robeson and Columbus Counties, N. C.....	22. 000
Do.....	Lake County, Fla., and Charleston and Horry Counties, S. C.....	2. 270
Do.....	Sumter, Lee, and Darlington Counties, S. C.....	47. 340
Baltimore & E. R. Co.....	Wicomico County, Md.....	4. 600
Bennettsville & C. R. Co.....	Marlboro County, S. C.....	23. 440
Bevier & S. R. Co.....	Macon and Randolph Counties, Mo.....	6. 118
Buffalo, R. & P. Ry. Co., and Baltimore & O. R. Co.....	Indiana County, Pa.....	2. 430
Buffalo, U. C. R.....	Union County, S. C.....	14. 200
Chicago & E. I. R. Co.....	Vermilion County, Ill.....	9. 890
Do.....	Iroquois County, Ill. and Benton County, Ind.....	10. 660
Chicago & N. W. Ry. Co.....	Clinton, Jackson and Jones Counties, Iowa.....	68. 224
Do.....	Gogebie County, Mich.....	9. 259
Do.....	Shawano County, Wis.....	9. 548
Do.....	Langlade and Oneida Counties, Wis.....	13. 976
Do.....	Crawford, Monona and Harrison Counties, Iowa.....	48. 000
Do.....	Shawano and Waupaca Counties, Wis.....	5. 458
Chicago, B. & Q. R. Co.....	Adair and Sullivan Counties, Mo.....	23. 430
Do.....	Appanoose and Davis Counties, Iowa.....	18. 970
Chicago G. W. Ry. Co.....	Bremer County, Iowa.....	4. 470
Chicago, R. I. & Pac. R. Co.....	Pittsburg County, Okla.....	18. 980
Cincinnati, B. & C. R. Ry. Co., and Cincin- nati, N. O. & T. P. Ry. Co.....	Pulaski County, Ky.....	2. 700
Colorado & S. Ry. Co.....	Arapahoe and Jefferson Counties, Colo.....	6. 510
Cumberland & Pennsylvania R. Co.....	Allegany County, Md.....	1. 170
Denver & I. R. Co.....	Denver and Jefferson Counties, Colo.....	24. 860

Certificates of convenience and necessity for abandonment of lines of railroad or the operation thereof, issued under sec. 1 (18) of the Interstate Commerce Act, as amended—Continued

Name of applicant	Location of line	Miles
Denver & R. G. W. R. Co.....	Las Animas County, Colo.....	13. 030
Do.....	Chaffee and Saguache Counties, Colo.....	53. 210
Des Moines & Central Iowa Ry. Co.....	Polk County, Iowa.....	4. 740
Duluth, M. & I. R. Ry. Co.....	St. Louis and Lake Counties, Minn.....	3. 870
East Tennessee & W. N. C. R. Co.....	Carter County, Tenn., and Avery County, N. C.....	22. 620
Eric R. Co.....	Elk County, Pa.....	2. 420
Florida E. C. Ry. Co. trustees.....	Putnam County, Fla.....	2. 590
Georgia & Florida R. receiver.....	Emanuel and Coffee Counties, Ga.....	10. 260
Illinois Terminal R. Co.....	Tazewell and Peoria Counties, Ill.....	. 590
International Ry. Co. trustees.....	Niagara County, N. Y.....	18. 470
James Town, W. & N. W. R. Co.....	Chautauqua County, N. Y.....	32. 500
Lehigh Valley R. Co.....	Luzerne County, Pa.....	. 660
Do.....	Lehigh County, Pa.....	. 993
Do.....	Wyoming and Luzerne Counties, Pa.....	9. 740
Do.....	Tompkins and Cayuga Counties, N. Y.....	16. 700
Lewiston & Y. F. Ry. Co.....	Niagara County, N. Y.....	6. 000
Long Island R. Co. trustees.....	Suffolk County, N. Y.....	5. 570
Louisville & N. R. Co.....	Letcher County, Ky.....	1. 630
Madison, I. & St. L. R. Co. and Terminal R. Assn. of St. L.....	Madison County, Ill.....	. 123
McCloud R. R. Co.....	Siskiyou County, Calif.....	11. 390
Minneapolis & St. L. Ry. Co.....	Jasper and Marshall Counties, Iowa.....	9. 480
Mississippi & Alabama R. Co.....	Washington County, Ala., and Green County, Miss.....	17. 000
Missouri-Kansas-Texas R. Co.....	Latimer County, Okla.....	9. 400
Missouri Pac. R. Co. trustee.....	Howard County, Ark.....	6. 640
New York Central R. Co.....	Niagara County, N. Y.....	5. 300
Norfolk S. Ry. Co.....	Pamlico County, N. C.....	9. 462
Do.....	Princess Anne County, Va.....	6. 380
Do.....	Washington and Tyrrell Counties, N. C.....	22. 893
Ohio & M. R. Co.....	Lucas and Fulton Counties, Ohio, and Lenawee County, Mich.....	21. 000
Ontario Car Ferry Co., Ltd.....	Monroe County, N. Y.....	(1)
Oregon Short Line R. Co. and Union Pac. R. Co.....	Cassia County, Idaho.....	1. 470
Oregon-Washington R. & N. Co. and Union Pac. R. Co.....	Morrow and Umatilla Counties, Oreg.....	23. 500
Pennsylvania-Reading S. L.....	Gloucester County, N. J.....	6. 350
Do.....	Cape May County, N. J.....	1. 060
Pennsylvania R. Co.....	Allegheny and Westmoreland Counties, Pa.....	3. 856
Do.....	Clearfield County, Pa.....	3. 800
Do.....	Fayette County, Pa.....	1. 040
Reading Co.....	Lehigh County, Pa.....	3. 835
Rowlesburg & S. R. Co.....	Preston County, W. Va.....	7. 000
St. Louis-S. F. Ry. Co.....	Lawrence County, Mo.....	8. 230
Santa Maria Valley R. Co.....	Santa Barbara County, Calif.....	6. 230
Seaboard Air Line R. Co.....	Dade County, Fla.....	3. 700
Do.....	Manatee County, Fla.....	3. 200
Southern Pac. Co.....	Benton County, Oreg.....	3. 822
Southern Pac. R. Co., and Southern Pac. Co.....	Glenn County, Calif.....	11. 021
Spokane, P. & S. Ry. Co.....	Clatsop County, Oreg.....	. 750
Do.....	Washington County, Oreg.....	12. 870
Statesboro N. Ry., Statesboro T. Co., and Georgia & Florida R. receiver.....	Emanuel and Bulloch Counties, Ga.....	39. 300
Tampa S. R. Co. and Atlantic Coast Line R. Co.....	Manatee County, Fla.....	6. 950
Texas & N. O. R. Co.....	Dallas County, Tex.....	1. 320
Texas Central R. Co. and Missouri-Kansas-Texas R. Co. of Texas.....	Hill and Bosque Counties, Tex.....	12. 820
Tremont & G. Ry. Co.....	Lincoln and Jackson Parishes, La.....	10. 000
Union Ry. Co.....	Shelby County, Tenn.....	1. 843
Virginia & T. Ry.....	Washoe, Ormsby, and Douglas Counties, Nev.....	46. 480
West Jersey & S. R. Co., and Pennsylvania-Reading S. L.....	Salem County, N. J.....	4. 550
Western Maryland Ry. Co.....	Allegany County, Md.....	. 420
Total number of miles.....		954. 618

¹ The portion of ferry operations within the United States, 33 miles.

	Miles
71 applications filed involving.....	886. 290
80 certificates issued permitting abandonment of.....	954. 618
8 applications denied in whole or in part involving.....	109. 500
7 applications dismissed involving.....	93. 200
Abandonments permitted since effective date of act.....	35, 710

Certificates of convenience and necessity for acquisition and/or operation of lines of railroads issued under sec. 1 (18) of the Interstate Commerce Act, as amended

Name of applicant	Location of line	Miles
Arkansas & O. Ry. Corp.....	Boone and Carroll Counties, Ark., and Barry County, Mo.	70. 100
East Troy ¹	Walworth and Waukesha Counties, Wis.	7. 200
McCloud R. R. Co.....	Shasta and Siskiyou Counties, Calif.	7. 970
Kansas City S. Ry. Co.....	Cherokee County, Kans.	. 102
Kansas City S. Ry. Co. and St. Louis-S. F. Ry. Co.	do	1. 800
Lehigh Valley R. Co.....	Hudson County, N. J.	9. 190
Mississippi & S. V. R. Co.....	Yalobusha County, Miss.	1. 920
St. Louis-S. F. Ry. Co.....	Cherokee County, Kans.	. 218
Texas & N. O. R. Co.....	Dallas County, Tex.	. 800
Texas Central R. Co. and Missouri-Kansas-Texas R. Co. of Texas.	Hill and Bosque Counties, Tex.	11. 300
Total number of miles.....		110. 600

¹ A municipal corporation of the State of Wisconsin.

	Miles
12 applications filed involving.....	83. 500
10 certificates issued involving.....	110. 600
1 application denied.....	4. 500
1 application dismissed.....	1. 590

Authorizations under sec. 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties

Aequiring carrier	Owning carrier	Miles	How acquired
Atehison, T. & S. F. Ry., Co., Chicago, B. & Q. R. Co., Pennsylvania R. Co., Pennsylvania Co. ¹ and New York Central R. Co.	Illinois N. Ry.....	10. 430	Ownership of stock.
Baltimore & O. R. Co.	Baltimore & O. S. R. Co.....	937. 200	Purchase.
Do.....	Baltimore & O. & C. R. Co.....	277. 520	Do.
Bethlehem Steel Corp. ¹	Cambria & Indiana R. Co.....	35. 380	Ownership of stock.
Boston & Maine R.....	Vermont Valley R. and Sullivan C. R.	48. 800	Purchase.
Cedar Rapids & Iowa City Ry. Co.	Iowa E. L. & P. Co.....	27. 000	Do.
Chicago & N. W. Ry. Co.....	Chicago G. W. Ry. Co.....	17. 000	Modified trackage rights agreement.
Chicago, B. & Q. R. Co.....	Colorado & S. Ry. Co.....	2. 304	Do.
Do.....	Union Pac. R. Co.....	2. 730	Do.
Chicago G. W. Ry. Co.....	Union Pac. R. Co. and Chicago, B. & Q. R. Co.	(²)	Joint use.
Do.....	Chicago & N. W. Ry. Co.....	3. 700	Modified trackage rights agreement.
Do.....	Chicago, M. St. P. & Pac. R. Co.	1. 928	Trackage rights.
Chicago, R. I. & Pac. R. Co.....	Pullman R. Co.....	5. 000	Ownership of stock and lease.
Do.....	Denver & R. G. W. R. Co.....	5. 670	Trackage rights and joint use.
Cincinnati, B. & C. R. Ry. Co.....	Cincinnati, N. O. & T. P. Ry. Co.	2. 200	Purchase.
Cincinnati, N. O. & T. P. Ry. Co.	Cincinnati, B. & C. R. Ry. Co.	2. 200	Lease.
Gulf, C. & S. F. Ry. Co., Fort Worth & D. C. Ry. Co., Chicago, R. I. & Pac. R. Co., Beaumont, S. L. & W. Ry. Co., trustee, St. Louis, B. & M. Ry. Co. trustee, International-G. N. R. Co. trustee, and Sugar Land Ry. Co. trustee.	Houston B. & T. Ry. Co.....	(³)	Ownership of stock and joint use.
Gulf, M. & O. R. Co.....	Louisiana & Missouri R. R. Co.	76. 000	Purchase.
Do.....	Joliet & C. R. Co.....	33. 000	Do.

See footnotes at end of table.

Authorizations under sec. 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties—Continued

Acquiring carrier	Owning carrier	Miles	How acquired
Illinois N. Ry.-----	Achison, T. & S. F. Ry. Co.	3. 910	Lease and trackage rights.
Do-----	Chicago, B. & Q. R. Co.	1. 430	Do.
International-G. N. R. Co. trustee.	Beaumont, S. L. & W. Ry. Co. trustee.	2. 890	Trackage rights.
Iowa E. L. & P. Co.-----	Cedar Rapids & Iowa City Ry. Co.	27. 000	Ownership of stock.
Lehigh & N. E. R. Co.-----	New York, S. & W. R. Co.	18. 500	Modified trackage rights agreement.
Lehigh Valley R. Co.-----	Lehigh Valley Ry. Co., Lehigh & N. Y. R. Co., Lehigh Valley R. Co. of New Jersey, Lehigh Valley H. T. Ry. Co., Pennsylvania & N. Y. C. & R. Co., State Line & S. R. Co., Montrose R. Co., Loyalsock R. Co., Delaware, S. & S. R. Co., Easton & N. R. Co., and Schuylkill & L. V. R. Co.	948. 127	Merger.
Lehigh Valley R. Co., and Reading Co.	Ironton R. Co.-----	12. 130	Lease.
Milwaukee L. H. Co.-----	United S. Corp.	(4)	Do.
New York Central R. Co.	New York, O. & W. Ry. Co.	12. 960	Trackage rights.
New York, O. & W. R. Co. trustees.	Delaware, L. & W. R. Co.-----	10. 340	Modified trackage rights agreement.
Pennsylvania R. Co.-----	Belvidere D. R. Co., Connecting Ry. Co., Cumberland V. & M. R. Co., Delaware R. R. & B. Co., Englewood Connecting Ry. Co., Grand Rapids & Indiana Ry. Co., Indianapolis & F. R. Co., Louisville B. & T. Ry. Co., New York B. R. Co., New York, P. & N. R. Co., Ohio Connecting Ry. Co., Pennsylvania, O. & D. R. Co., Pennsylvania T. & T. R. Co., Perth Amboy & W. R. Co., Philadelphia, B. & W. R. Co., Pittsburgh, C. C. & St. L. R. Co., Pittsburgh, O. V. & C. R. Co., South Chicago & S. Ry. Co., Terre Haute & P. R. Co., Union R. Co., Western New York & Pennsylvania Ry. Co., and Wheeling T. Ry. Co.	4, 603. 920	Modified leases.
Do-----	Elmira & W. R. Co.	72. 320	Ownership of bonds.
Do-----	Cleveland & P. R. Co., Erie & P. R. Co., New York B. R. Co., Northern Central Ry. Co., Pittsburgh, F. W. & C. Ry. Co., Pittsburgh, Y. & A. Ry. Co., and Union R. Co.	1, 079. 260	Modified leases.
Pennsylvania R. Co., Pennsylvania Co., ¹ and Wabash R. Co.	Detroit, T. & I. R. Co.-----	418. 000	Ownership of stock.
Pennsylvania R. Co., Pennsylvania Co., ¹ and Erie R. Co.	Springfield S. R. Co.-----	3. 000	Do.
Reading Co.	Schuylkill Valley N. & R. Co.	15. 940	Merger.
Do-----	Mill Creek & M. H. N. & R. Co.	4. 950	Do.
St. Louis-S. F. Ry. Co.-----	Butler C. R. Co., Jonesboro, L. C. & E. R. Co., Miami M. B. R. Co., and St. Louis, K. & S. E. R. Co.	139. 360	Purchase.
St. Louis S. W. Ry. Co.-----	Paragould S. E. Ry. Co.-----	37. 320	Modified lease.
Do-----	Valley T. Ry.	22. 800	Do.
Do-----	Gray's Point T. Ry. Co.	13. 250	Do.
Salzberg, M. M. et al.	Arkansas & O. Ry. Corp.	70. 100	Ownership of stock.
Savannah & A. Ry. Co.	Georgia R.	2. 360	Revised trackage contract.
South Carolina S. P. A.	Port U. C. of Charleston, S. C.	19. 730	Purchase.
Southern Pac. Co., and Southern Pac. R. Co.	Los Angeles & S. L. R. Co., and Union Pac. R. Co.	0. 197	Trackage rights.
Southern Ry. Co.-----	Atlantic & Y. Ry. Co.-----	149. 000	Purchase.
Do-----	Buffalo, U. C. R.	4. 600	Do.
Suncook Valley R.	Boston & Maine R.	5. 000	Do.

See footnotes at end of table.

Authorizations under sec. 5 (2) of the Interstate Commerce Act, as amended, involving railroad properties—Continued

Acquiring carrier	Owning carrier	Miles	How acquired
Texas & N. O. R. Co.-----	Missouri-Kansas-Texas R. Co. of Texas.	0. 540	Trackage rights.
United New Jersey R. & C. Co., and Pennsylvania R. Co.	New York, S. & W. R. Co., trustee.	2. 093	Purchase and trackage rights.
Wabash R. Co.-----	Toledo, P. & W. R.-----	12. 600	Joint use.
Warwick Ry. Co.-----	United E. Rys. Co.-----	1. 600	Purchase.
Western Maryland Ry. Co.-----	Greenbrier, C. & E. R. Co., Somerset C. Ry. Co., Fairmont H. R. Ry. Co., Fairmont, B. Ry. Co., Chaffee R. Co., Cumberland Ry. Co., and Western Maryland R. T. Co.	125. 900	Merger.

¹ Holding company.² Passenger station and certain appurtenant tracks at Omaha, Nebr.³ Terminal facilities at Houston, Tex.⁴ Livestock loading and unloading facilities at Milwaukee, Wis.

45 applications filed.

76 authorizations granted.

Authorizations issued under section 5 (2) of the Interstate Commerce Act, as amended, involving water carriers

Acquiring carrier	Owning carrier	Service	How acquired
Coastwise Line and W. T. Sexton. ¹	Burns S. S. Co.-----	Pacific coast ports-----	Purchase and ownership of stock.
Dixie Carriers, Inc.-----	Terrebonne T. Co.-----	Gulf Intercoastal Waterways and Mississippi River.	Purchase.
Olympic-Griffiths L. Inc.-----	Olympic S. S. Co., Inc., and James Griffiths & Sons, Inc., as managing agent.	do-----	Consolidation.
Weyerhaeuser S. Co. and Weyerhaeuser T. Co. ²	Pacific Coast D. L.-----	Atlantic and Pacific ports.	Purchase and ownership of stock.

¹ Individual.² Holding company.

6 applications filed.

4 authorizations granted.

1 application dismissed.

1 application denied.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20A of the Interstate Commerce Act, as amended.

Stock, common:

For acquisition of property including equipment.....	{	\$25, 300
For acquisition of property other than equipment.....		¹ 1, 350
For conversion of unmatured funded debt.....	{	50, 000
For exchange of common stock.....		12, 465, 000
For partial payment of indebtedness for purchase of equipment.....		¹ 754, 552
For reorganization.....		150, 000
For stock dividends.....		85, 000
		6, 011, 200
		706, 300
Total.....	{	19, 492, 800
		¹ 755, 902

Stock, preferred:

For acquisition of property other than equipment.....		150, 000
For reorganization.....		4, 981, 800
Total.....		5, 131, 800
Total stock.....	{	24, 624, 600
		¹ 755, 902

Bonds, collateral-trust:

For acquisition of securities of other companies.....		60, 000, 000
---	--	--------------

Bonds, debenture:

For additions and betterments.....		2, 600, 000
For refunding purposes.....		1, 400, 000
For sale—proceeds used for additions and betterments (nature not fully specified).....		37, 727, 600
Total.....		41, 727, 600

Bonds, mortgage:

For acquisition of securities of others.....		417, 000
For construction of new lines, extensions, facilities, et cetera.....		12, 539, 900
For exchange for unmatured funded debt.....		114, 921, 600
For extension of matured funded debt.....		2, 188, 000
For extension of matured funded debt in connection with financial adjustment.....		154, 500
For extension of unmatured funded debt.....		4, 983, 000
For pledge.....		221, 389, 134
For reimbursement of treasury for moneys used to redeem bonds.....		1, 000, 000
For sale for exchange for bonds.....		7, 742, 400
For sale to meet unfunded debt.....		4, 000, 000
For sale to meet unmatured funded debt.....		162, 377, 100
Assumption of obligation and liability in respect of \$117,750,000.		
Total.....		531, 712, 634
Total bonds.....		633, 440, 234

¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of the securities of others under section 20A of the Interstate Commerce Act, as amended—Continued

Notes, secured:

For extension of matured funded debt.....	\$5, 737, 300
For extension of unmatured funded debt.....	6, 106, 000
For general corporate purposes (not segregated).....	1, 000, 000
For payment of advances.....	40, 000
For prepayment of indebtedness.....	2, 022, 000
For refunding purposes.....	7, 160, 000
Total.....	22, 065, 300

Notes, unsecured:

For acquisition of property including equipment.....	750, 000
For construction of new facilities, et cetera.....	1, 000, 000
Total.....	1, 750, 000
Total notes.....	23, 815, 300

Equipment obligations:

Assumed by carriers.....	293, 459, 000
--------------------------	---------------

Certificates of deposit:

For exchange for bonds.....	19, 356, 000
-----------------------------	--------------

Certificates, trustees:

For acquisition of property other than equipment.....	1, 200, 000
For general purposes (not segregated).....	100, 000
For payment of advances.....	50, 000
Assumption of obligation and liability in respect of \$1,200,000.	

Total.....	1, 350, 000
------------	-------------

Total certificates.....	20, 706, 000
-------------------------	--------------

Grand total securities.....	{ 996, 045, 134 1 755, 902
-----------------------------	-------------------------------

118 applications filed.

105 applications approved.

17 applications dismissed.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act, as amended

Stock, common:

For acquisition of equipment and to provide for additional working capital.....	\$130, 400. 00
For acquisition of property.....	3, 810, 831. 00
For acquisition of property other than equipment.....	1 796
For exchange for common stock.....	{ 167, 139. 00 1 150, 000
For general corporate purposes (not segregated).....	131, 600. 00
For stock' dividends.....	1, 576, 561. 00
For working capital.....	50, 000. 00
Total.....	{ 5, 866, 531. 00 1 150, 796

¹ Shares without par or nominal value.

Authorization of the issuance of securities and the assumption of obligations and liabilities in respect of others under section 214 of the Interstate Commerce Act, as amended—Continued

Stock, preferred:	
For exchange for common stock-----	\$90, 000. 00
Total stock-----	5, 956, 531. 00
	¹ 150, 796
Bonds, mortgage:	
Assumption of obligation and liability in respect of \$6,000,000.	
Notes, demand:	
For replacing demand notes issued without authority----	205, 000. 00
Notes, secured:	
For acquisition of equipment-----	1, 379, 572. 97
For acquisition of property other than equipment and for exchange for notes previously issued-----	1, 350, 000. 00
For construction of facilities, et cetera-----	1, 614, 000. 00
For exchange for notes previously issued-----	359, 016. 67
For extension of matured unfunded debt-----	222, 775. 10
For general corporate purposes (not segregated) -----	979, 000. 00
For refunding purposes-----	737, 000. 00
For refunding purposes and for general corporate pur- poses-----	250, 000. 00
For reimbursement of treasury-----	108, 000. 00
For retirement of outstanding notes-----	193, 999. 96
Total-----	7, 193, 364. 70
Notes, unsecured:	
For construction of facilities, et cetera-----	225, 000. 00
For extension of matured unfunded debt-----	70, 400. 00
For general corporate purposes (not segregated) -----	100, 000. 00
For payment of advances-----	28, 002. 48
Assumption of obligation and liability in respect of \$6,240,000.	
Total-----	423, 402. 48
Total notes-----	7, 821, 767. 18
Certificates, equipment-trust:	
Assumption of obligation and liability in respect of \$3,787,315.	
Grand total securities-----	{ 13, 778, 298. 18
	¹ 150, 796

38 applications filed.

33 applications approved.

3 applications dismissed.

¹Shares without par or nominal value.

Bond issues sold at competitive bidding, authorized under section 20a of the Interstate Commerce Act, as amended, from Nov. 1, 1949, to Oct. 31, 1950

Name of company and description of issue	Year	Principal Amount	Coupon rate	Date bids opened	Number bids	Price to company	Interest cost	Price to public	Gross spread
Peoria & Pekin Union Railway Company: First-mortgage bonds, series A-----	1975	\$2,500,000	3½	Dec. 28, 1949	8	98.547	3.21	100.00	1.453
Chicago, Rock Island & Pacific Railroad Company: First mortgage bonds, series A-----	1980	55,000,000	2¾	Jan. 18, 1950	3	98.81	2.93	99.50	.69
Chicago, Burlington & Quincy Railroad Company: First refunding mortgage series of 1990 bonds-----	1990	25,000,000	3	Mar. 28, 1950	3	99.53	3.02	100.00	.47
Wheeling & Lake Erie Railway Company: General and refunding mortgage bonds, series C-----	1974	4,000,000	2¾	Apr. 5, 1950	5	97.914	2.87	98.75	.836
Seaboard Air Line Railroad Company: First mortgage bonds, series B-----	1980	30,000,000	3 2½	May 10, 1950	4	98.58	3.07	99.38	.795
Pennsylvania Company: Collateral trust serial bonds-----	1951 to 1975	60,000,000	4½	June 6, 1950	1	99.00	3.99	100.44	1.438

APPENDIX E

RAILROAD COMPANIES IN REORGANIZATION (OR RECEIVERSHIP) PROCEEDINGS

	<i>Miles of line operated</i>
Proceedings under section 77 of the Bankruptcy Act:	
Boston & Providence Railroad Corporation ¹ -----	13
Boston Terminal Company-----	571
Florida East Coast Railway Company ² -----	77
Georgia, Florida & Alabama Railroad Company ³ -----	19
Huntingdon & Broad Top Mountain Railroad and Coal Company, The-----	364
Lackawanna and Wyoming Valley Railroad Company-----	50
Long Island Railroad Company, The-----	9,805
Meridian & Bigbee River Railway Company-----	38
Missouri Pacific Railroad System-----	544
New Jersey & New York Railroad Company-----	120
New York, Ontario & Western Railway Company-----	407
New York, Susquehanna & Western Railroad Company ⁴ -----	407
Rutland Railroad Company-----	29
Wisconsin Central Railway Company ⁵ -----	29
Wyoming Railway Company-----	29
Receivership proceedings:	
Georgia & Florida Railroad-----	408
Rio Grande & Southern Railroad Company, The-----	172
Smoky Mountain Railroad-----	31
Tallulah Falls Railway Company-----	57
Waco, Beaumont, Trinity & Sabine Railway Company-----	18

¹ Owned mileage 64. Leased to Old Colony Railroad Company; operated by New York, New Haven & Hartford Railroad Company. Collateral proceedings pending.

² District court disapproved Commission plan. I. C. C. proceeding reopened.

³ Owned mileage 133. Operated by Seaboard Air Line Railroad Company.

⁴ Court failed to approve plan. I. C. C. proceeding reopened.

⁵ Owned mileage 898. Operated by Minneapolis, St. Paul & Sault Ste. Marie Railroad Company. Proceeding reopened after approval of Commission, hearing completed.

Mileage of line-haul steam railroads operated by receivers or trustees at various dates

Year ¹	Miles of road operated by receivers at close of year	Miles of road operated by trustees at close of year	Miles of road operated by both receivers and trustees at close of year	Total miles of road op- erated at close of year. All line-haul companies	Percent of total mileage operated by receivers or trustees
1895-----	37,855.80		37,855.80	177,746	21.30
1900-----	4,177.91		4,177.91	192,556	2.17
1905-----	795.82		795.82	216,974	.37
1910-----	5,257.03		5,257.03	240,831	2.18
1915-----	30,223.05		30,223.05	257,569	11.73
1920-----	16,290.17		16,290.17	259,941	6.27
1925-----	18,686.99		18,686.99	258,631	7.23
1930-----	9,486.28		9,486.28	260,440	3.64
1935-----	15,920.00	52,425.00	68,345.00	252,930	27.02
1940-----	11,658.00	63,612.00	75,270.00	245,740	30.63
1945-----	5,088.00	34,626.00	39,714.00	239,438	16.59
1949-----	686.00	11,993.00	12,679.00	237,564	5.34

¹As of June 30, 1895 to 1915, inclusive. As of Dec. 31, 1920 to 1949, inclusive.

APPENDIX F

STATEMENT OF APPROPRIATIONS AND OBLIGATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 1950

The obligations shown herein are as of June 30, 1950, and represent net obligations after deducting all credits for services and salaries charged to other Government activities.

An Act making appropriations for the Executive Office and sundry independent executive * * * commissions * * * for the fiscal year ending June 30, 1950, and for other purposes, approved August 24, 1949:

General expenses: For expenses necessary in performing the functions vested by law in the Commission (49 U. S. C. 1-24, 301-327, 901-923, 1001-1022), except those otherwise specifically provided for in this act, and for general administration; not to exceed \$5,000 for the employment of special counsel; contract stenographic reporting services; personal services in the District of Columbia; newspapers (not to exceed \$200); health-service program as authorized by law (5 U. S. C. 150); payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 2672); purchase of 10 passenger motor vehicles for replacement only; and printing and binding; \$9,600,000, of which \$100,000 shall be available for valuations of pipe lines, and \$3,656,039 shall be available for the work of the Bureau of Motor Carriers: <i>Provided</i> , That joint board members and cooperating State Commissioners may use Government transportation requests when traveling in connection with their duties as such-----		\$9, 600, 000
Deficiency Appropriation Act, 1950, Public Law 583—81st Congress-----	161, 700	\$9, 761, 700
Railroad safety: For expenses necessary in performing functions authorized by law (45 U. S. C. 1-15, 17-21, 35-46, 61-64; 49 U. S. C. 26) to insure a maximum of safety in the operation of railroads, including authority to investigate, test experimentally, and report on the use and need of any appliances or systems intended to promote the safety of railway operation, including those pertaining to block-signal and train-control systems, as authorized by the joint resolution approved June 30, 1906, and the Sundry Civil Act of May 27, 1908 (45 U. S. C. 35-37), and to require carriers by railroad subject to the act to install automatic train-stop or train-control devices as prescribed by the Commission (49 U. S. C. 26), including the employment of inspectors, engineers, and personal services in the District of Columbia, and payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 2672)-----		
Deficiency Appropriation Act, 1950, Public Law 583—81st Congress-----	958, 500	
	22, 000	980, 500

An Act making appropriations for the Executive Office, etc.—Continued

Locomotive inspection: For expenses necessary in the enforcement of the Act of February 17, 1911, entitled "An Act to promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto," as amended (45 U. S. C. 22-34), including personal services in the District of Columbia, and payment of claims pursuant to section 403 of the Federal Tort Claims Act (28 U. S. C. 2672)-----	\$674, 500
Total-----	11, 416, 700

Amounts obligated under appropriations for the fiscal year ended June 30, 1950:

General expenses-----	9, 712, 836
Railroad safety-----	971, 113
Locomotive inspection-----	661, 416

Total obligations-----	11, 345, 365
------------------------	--------------

Unobligated balances of appropriations:

General expenses-----	48, 864
Railroad safety-----	9, 387
Locomotive inspection-----	13, 084

Total unobligated balances-----	71, 335
---------------------------------	---------

Total appropriations-----	11, 416, 700
---------------------------	--------------

Statement of receipts from fees and charges during the fiscal year ended June 30, 1950, as required by (5 U. S. C. 104a):

Fees and other charges for administrative, professional, and scientific services, not otherwise classified-----	5, 988
Deposits in connection with admission of attorneys to practice before executive departments and establishments-----	9, 420
Sale of photo duplications-----	9, 341
Sale of publications and reproductions, not otherwise classified-----	21, 096
Total receipts from fees and charges-----	45, 845

INDEX

	Page
Abandonment of lines:	
Certificates of convenience and necessity	73, 156
Employees' interest affected by	75
Mileage abandoned	73, 156
Accident Reports Act	55
Accidents and casualties:	
Dangerous articles	116
Driver-asleep	56
Grade crossings, number	111
Investigation of, railroad	110
Locomotives, defective	96
Mechanical defects, locomotives	54, 95, 96
Motor accidents, decrease	56
Number of, railroad	53, 117
Organized safety program	56
Trespassers	54
Accounts and cost finding:	
Accounting regulations, interpretations	68
Bureau of	67
Carriers subject to prescribed system of accounts	67
Cost Finding Section	71
Depreciation accounts	67, 69
Examination of carrier accounts, curtailed	67
Field service investigation of accounts	70
Motor carrier accounting, revision	67
Number of investigations	70
Policing of motor carrier accounts	67
Rail equipment depreciation	69
Regulations covering accounting procedure	67
Revision of accounting rules, railroad	68
Revision of uniform system of accounts for motor carriers of passengers	68
Shortage of personnel	67
Special studies	71
Uniform systems of accounts	67, 121
Acquisition. <i>See</i> Consolidation and control; Convenience and necessity.	
Acquisition of equipment by lease and conditional sales	38
Admission to practice	60
Agreements between or among carriers:	
Applications for approval	44
Reed-Bulwinkle Act	44
Regulation prescribed by the Commission: registration of new parties	45
Section 5a	44
Staff insufficient for field investigation work	45
Airway passenger-miles increased	21

	Page
Allegheny and South Side Ry. Co., status.....	51
Appliances. <i>See</i> Safety.	
Appropriations and obligations, statement of, for fiscal year, 1950.....	166
Association of American Railroads.....	31, 39, 108
Automatic train control.....	109
Bad order cars.....	30
Bankruptcy Act:	
Reorganizations.....	32
Section 77, reorganization proceedings.....	32, 165
Bids, competitive, railroad securities.....	41, 75, 164
Bonds. <i>See</i> Securities.	
Bureaus of Commission. <i>See</i> specific bureaus.	
Bus fares and charges.....	43
Car service: <i>See also</i> Equipment.	
Distribution of freight cars.....	31
National defense.....	31
Safety appliance order.....	108
Service orders.....	29
Supply, shortage of all classes.....	7, 30, 32, 112, 113
Carriers. <i>See</i> specific subjects.	
Carriers Taxing Act.....	51
Class I line-haul railways; tables.....	23-27
Class-rate and classification investigations.....	48
Coastwise and intercoastal water traffic.....	21
Commodity descriptions in operating authorities.....	50
Commutation fares.....	42
Competitive bidding in the sale of railroad securities.....	75, 164
Competitive rate reduction.....	4
Complaints:	
Formal, number filed, disposed of.....	76
Informal cases.....	77
Section, Bureau of Motor Carriers.....	100
Status of investigations and litigation.....	103
Congress:	
Legislative recommendations—	
Section 1 (15).....	128
Section 20 (6).....	40, 128
Section 20b.....	128
Section 22.....	128
Section 25.....	128
Adding section 312a, providing for revocation of water carriers' authority.....	129
Standard Time Act.....	129
Hearings under Senate Resolution No. 50.....	62
Transportation inquiries.....	61
Consolidation and control:	
Acquisition of control and authorization, railroad.....	158
Authorizations under section 5 (2) involving—	
Railroad property.....	158
Water carriers.....	160
Employees' interest considered.....	75

Convenience and necessity:	Page
Abandonment of lines.....	73, 156
Construction of lines.....	156
Motor carriers, certificates.....	50, 101
Railroad applications.....	156
Cost of service:	
Apportionment as between freight and passenger service.....	122
Courts:	
Cases concluded in District Courts.....	130
Cases relating to Commission's work.....	133
Elkins Act cases.....	130
Indictments returned, and information filed for violation of the Inter- state Commerce Act, Elkins Act, and Transportation of Explosives Act.....	81, 130
Reorganization of railroads.....	32, 165
Status of motor cases.....	103
Summaries showing action taken with respect to orders of Commission and status of pending cases.....	133
Transportation of Explosives Act, violations.....	130
Credit, unlawful extension.....	80
Dangerous articles:	
Accidents due to.....	115, 117
Investigations of explosions.....	116
Regulation containers.....	116
Regulations for transportation.....	116, 117
Rules and regulations governing.....	117
Section of Explosives.....	115
War emergency controls.....	115, 116
Defense Production Act of 1950.....	27
Defense Transport Administration.....	28
Diversion of traffic, motor carriers.....	1
Domestic transportation, storage, and port facilities, defined.....	28
Electronics in transportation.....	57
Elkins Act:	
Violated.....	79, 130
Emergency Board.....	18
Employees: <i>See also</i> Hours of service; Safety.	
Protection of interest of railway employees.....	75
Railway Labor Act.....	51
Reduction in force.....	57, 67, 125
Revision of rules governing.....	122
Equipment:	
Acquisition by lease and conditional sales.....	38
"Bad order" cars.....	30
Financed by Metropolitan Life Insurance Co.....	40
Leased from Equitable Life Assurance Society.....	39
Leasing plan, studied.....	40
Long-term lease.....	38
Military demands on motor carriers.....	98
Equitable Life Assurance Society of United States.....	39
Executive Orders Nos. 10141; 10155; 10161.....	18, 27

Finance:	Page
Abandonment of trackage rights.....	73
Acquisition of control.....	73, 158
Applications to abandon lines.....	73, 156
Bureau of.....	73
Certificates of convenience and necessity.....	73, 156
Construction of new lines.....	73, 156
Controlling persons.....	74
Interlocking directorates.....	75
Issuance of securities and assumption of obligation.....	75, 161
Railway employees.....	75
Sale of securities.....	76, 164
Section 5 (2) (b), amended.....	74
Water carrier permits or certificates, transfers.....	74
Forfeitures and penalties.....	80, 81
Formal cases:	
Bureau of.....	76
Complaints filed and disposed of.....	76
Shortened and modified procedure.....	76
Fourth-section relief.....	51
Government control:	
All class I railroads, subsidiary lines, and certain terminal companies.....	18
Chicago, Rock Island and Pacific R. Co.....	18
Cooperation between employees and military establishment.....	19
Railroads.....	17
Government reparation cases.....	50
Great Lakes, package freight service.....	127
Highways. <i>See</i> Motor carriers.	
Hours of service:	
Cases in court involving railroads.....	108
Employees.....	57, 108
Excessive number of hours, truck drivers.....	57
Reports filed by railroads.....	108
Violations.....	108
House Bills Nos. 105, 378, 4764, 5967, 9480.....	55, 58, 61
Increased express rates and charges, 1949.....	43
Indictments and information. <i>See</i> Courts.	
Inflation, effect on transportation.....	2
Informal cases:	
Bureau of.....	77
Complaints filed.....	77
Orders issued.....	77
Special docket applications.....	77
Inquiry:	
Bureau of.....	78
Credit rules violated.....	80
Demurrage tariffs.....	78
False billing complaints.....	79
Falsification of accounts.....	80
Free transportation of passengers.....	80
Investigations of statutory offenses.....	78
Noncompliance with credit regulations.....	80
Rebates and concessions.....	81

	Page
Installation of train communication system.....	57
Insurance. <i>See</i> Motor carriers.	
Intercity traffic, volume, public and private; table.....	21, 22
Interstate Commerce Act: <i>See also</i> Congress (Legislative recommendations).	
Section 5 (2) (b), amended.....	74
Violations.....	81
Interstate Commerce Commission: <i>See also</i> Courts and specific subjects.	
Legislative committee work.....	61
National defense powers.....	27
Interstate Commerce Commissioner:	
Knudson, James K., ex-officio Administrator of Defense Transport Administration.....	27
Investigations:	
Accidents, railroad.....	55, 95, 110
Bad order cars.....	31
Bureau of Inquiry, by.....	78
Class rate and classification.....	48
Commodity descriptions.....	50
Extension of time for removal of flues.....	97
General condition of locomotives.....	96
Instituted on Commission's own motion.....	45
Instituted under section 13 (3).....	47
Loss and damage claims on eggs.....	60
Pick-up and delivery service.....	49
Protection for high-speed train operation.....	54
Protective service.....	53
Railroad accidents.....	55, 95, 110
Reserved railroad and pullman passenger accommodations.....	43
Safety devices.....	112
Safety regulations; revision.....	110
Standard time zone.....	58
Terminal services.....	59
Transcontinental rail rates.....	51
Violations of the Act.....	78, 103
Water competitive rail rates.....	52
Issuance of securities. <i>See</i> Securities.	
Judicial review. <i>See</i> Courts.	
Knudson, James K., Commissioner.....	27
Labor disputes.....	18, 19
Labor-management relations.....	17
Labor, railroad, laws relating to.....	50
Labor strikes.....	18, 19
Laramie Stockyards Co., status.....	51
Law:	
Bureau of.....	81
Cases decided by the Supreme Court.....	82
Cases instituted, concluded, and pending.....	81, 133
Summaries of cases in Supreme Court.....	82, 133
Laws relating to railroad labor.....	50
Lease. <i>See</i> Equipment.	

	Page
Legislative Committee:	
Bills pending in Congress.....	61
Transportation inquiries.....	61
Work of.....	61
Less-than-carload rate proposal.....	49
Locomotive inspection:	
Accidents and casualties.....	54, 95
Appeals from decisions.....	98
Bureau of.....	94
Explosions and boiler accidents.....	96
Flues, extension of time for removal.....	97
Investigation of accidents and general condition of locomotives.....	95
Locomotives propelled by power other than steam.....	97
Percentage found defective; table.....	95, 96
Reports, steam and other than steam.....	94, 95
Rules and instructions.....	97, 98
Specification cards and alteration reports.....	97
Locomotive Inspection Act.....	54
Loss and damage claims on eggs.....	60
Marketing securities. <i>See</i> Competitive bidding in the sale of railroad securities.	
Medals of honor.....	112
Metropolitan Life Insurance Co.....	40
Motor carriers:	
Accidents and casualties.....	56
Accounts.....	67
Applications filed since enactment of Part II.....	99
Briefing unit.....	105
Bureau of.....	98
Certificates, permits, licenses, temporary authority, exemption, and operation under second proviso section 206 (a).....	50, 101
Commodity description.....	50
Competitive conditions.....	10
Complaint Section.....	100
Employees, improved conditions.....	9
Field organization.....	106
Insurance Section.....	101
Interchange of trailers.....	9
Intercity traffic.....	8, 10
Law and Enforcement Section, investigations and litigation.....	103
"Long-haul" operations.....	9
Minimum rate order.....	10
Operating authorities.....	9
Operating revenues and ratios.....	10
Private carrier, controversy as to interpretation.....	9
Rules prescribed to govern leasing practices.....	99
Safety regulations and programs.....	105
Section of Certificates.....	99
Section of Safety.....	105
Shortage of personnel.....	57
Temporary authority.....	100
Unification of carriers.....	9
Volume of traffic.....	8, 98

National defense:	Page
Government control of railroads	17
Program	98
Transportation	27
National Mediation Board	18
"Observer member" of Technical Catalog Committee	122
Operating efficiency	6, 7
Operating revenues and ratio; table	8, 10, 20, 23
Passengers:	
Commutation fares	5
Fares, increased	5
Intercity traffic	21, 22
Volume of traffic	5
Passenger-train operations:	
Competition with motor and air	5
Head-end traffic	5
Services rendered Railway Express Agency	5
Unprofitable	5
Personnel shortage, reduction of work program	57, 67, 125
Pick-up and delivery service:	
Investigation	49
Pipelines:	
Intercity traffic	22
Revenues	16
Volume of traffic	16
Post Office Department	44
President of the United States	17, 18
Private car lines, operating revenues	20
Protective service:	
Contracts or agreements	53
Refrigerator cars, supply	53
Protective service and car owning companies	52
Public Laws 748; 774; 856	27, 99, 127
Radio systems, train communication	57
Rail carriers: <i>See also</i> specific subjects.	
Certificates of convenience and necessity applications	73, 156-158
Earnings affected by decline in volume of traffic	23
Economic and financial conditions	7
Government control	17
Intercity traffic	21
Management	7
Passenger fares, leading cases	42-43
Volume of traffic	23, 54
Railroad passenger fares	42
Railroad rate increases	2
Railroad reorganizations	32, 165
Railroad Retirement Act	50
Railroad strikes	18, 19
Railroad Unemployment Insurance Act	50
Railway Express Agency	20
Railway Labor Act	18, 50
Railway mail pay	44
Railway performance changes; table	23

	Page
Receivers.....	165
Reconstruction Finance Corporation Act, loans under.....	41, 156
Reed-Bulwinkle Act.....	44
Released rates.....	120
Reorganization of railroads:	
Bankruptcy Act.....	32
Proceedings in court.....	32
Railroad companies in reorganization or receivership.....	35, 165
Section 20b.....	32
Voluntary reorganization.....	35
Reparation cases, government:	
Complaints.....	50
Reports:	
Accidents, railroad.....	54
Carriers' periodic reports.....	147
Intercoastal carriers.....	15
Locomotive inspection.....	94
Motor accident reports.....	56
Motor carrier.....	56, 70
Pipe lines.....	16
Statistics from railroad reports.....	147
Reserved railroad and pullman passenger accommodations.....	43
Safety:	
Block-signal system.....	109
Bureau of.....	107
Grade crossings accidents.....	111
Hours of service.....	108
Investigation of accidents.....	110
Investigation of safety devices.....	112
Medals of honor.....	112
Rules, standards, and instructions for installation of appliances.....	110
Safety appliances, inspection.....	107
Signal system and train control devices.....	109
Violation of regulations.....	107
Safety work and accidents:	
Motor.....	55
Rail.....	53
Securities:	
Bids, competitive.....	41, 75, 164
Issuance of and assumption of obligation by railroad.....	75, 161
Sale of bonds issued under section 20a.....	164
Senate Bills Nos. 238; 2113.....	55, 58, 61
Senate Resolution No. 50:	
Hearings—	
Airline subsidy opposed.....	63
Bulk commodity exemption discussed.....	64-65
Coordination of transportation service.....	64
Curtailment of Commission's power proposed.....	65
Discontinuance of Federal transportation tax.....	66
Diversion of traffic from railroads.....	62
Government aid to railroad competitors.....	62-63

Senate Resolution No. 50—Continued
Hearings—Continued

	Page
Government ownership and operation of transportation facilities opposed.....	65
Highway freighters menace; user's tax and other remedies suggested.....	62
Household goods carriers, Government competition.....	66
Inland waterways, toll charges recommended.....	63
Investigation.....	62
Motor carrier exemptions discussed.....	63
Motor carrier safety regulations inadequate.....	64
National defense, transportation.....	66
Proposed addition of a commodities clause to parts II and III of the Act.....	65
Railroad rate making to meet competition.....	65
Railway Labor Act, proposed amendments, settle labor disputes ..	66
Regulation of contract carriers and irregular route common carriers.....	64
Reorganization plans, transportation, Hoover recommendations.....	66
Repeal of long-and-short-haul provision of section 4, favored.....	63
Subsidies to railroad competitors.....	62-63
Trip-leasing of vehicles by exempt operators.....	64
Unsatisfactory freight car situation.....	66
Unsound economic and financial condition of railroads.....	62
Water carriers, condition and problems.....	66
Service:	
Bureau of.....	112
Coal loading on 5-day work week.....	113
Coal stockpile.....	114
Defense powers delegated to Commissioner Knudsen.....	27
Explosives, Section.....	115
Lake ore and coal situation.....	114
Overseas tonnage of coal.....	115
Service orders:	
Cars, handled promptly by carriers.....	31
Coal-burning locomotives.....	29
Demurrage rate on cars.....	31
Handling of trap and ferry cars, restricted ..	31
Repairs to bad order cars.....	30
Suspension of Consolidated Classification Rule 24 and Rule 34.....	31
Small shipments:	
Motor charges.....	49
Railroad charges.....	49
Spotting service at industrial plants.....	59
Standard time zone investigation.....	58
Statistics:	
Accidents on railways.....	150
Compiled from periodical reports of carriers.....	147
Dividends on railway stock.....	143
Electric railways.....	155
Equipment in service.....	142
Freight forwarders, revenues and expenses.....	153
Motor carrier expenses, revenues, and income.....	151

Statistics—Continued	Page
Number and compensation of employees.....	148
Operating averages in freight and passenger service.....	148
Operating revenues and expenses of railways.....	144
Passengers, revenues, expenses, and income, motor carriers.....	152
Pipeline companies.....	154
Private-car owners.....	154
Property investment and income.....	143
Railway capital and net income.....	142
Railway development.....	141
Revenue freight by carload and by commodity.....	149
Summaries and tables.....	141
Water carriers, revenue and traffic.....	155
Strikes in transportation.....	18, 19, 112
Suspension Board.....	72
Switchmen's Union of North America.....	18
Tax, transportation.....	19
Technical Catalog Committee.....	122
Traffic:	
Bureau of.....	117
Fourth-section applications.....	51, 120
Freight forwarder schedules.....	118
Released rates.....	120
Section of Tariffs.....	118
Suspension adjustments.....	119
Suspension Board.....	72
Tariff publications.....	118
Traffic and earnings of transport agencies.....	20
Traffic to and from territories and possessions of the United States.....	99
Train service:	
Curtailed, strikes.....	30
Reduction in passenger and freight service.....	30
Service orders.....	29
Turn-around time on serviceable cars.....	30
Train service, car service, and car supply.....	29
Transport economics and statistics:	
Annual report form for maritime carriers.....	121
Bureau of.....	120
Cost of service, apportionment.....	122
Distribution of traffic and revenues; tabulations.....	122, 123
Index of freight rates.....	123
Reports of carriers.....	120
Shortage of personnel.....	121
Special reports from associations.....	122
Studies, statistical and research.....	121
Waybill analysis.....	122
Transportation during the year:	
Competitive rate reduction.....	4
Freight forwarders.....	15
Government control of railroads.....	17
Labor-management relations.....	17
Motor carriers of passengers.....	10
Motor carriers of property.....	8

Transportation during the year—Continued

	Page
Operating efficiency.....	6-7
Pipelines, volume and revenue.....	16
Problems of carriers.....	1
Railroad rate increases.....	2
Taxes affecting transportation.....	19
Transportation and defense.....	7
Unprofitable passenger-train operations.....	5
Water transportation.....	11
Valuation:	
Aided carriers in setting up new investment accounts.....	124
Appraisal made for Maritime Commission.....	124
Auditing carriers' reports curtailed.....	125
Bureau of.....	123
Data furnished Bureau of Transport Economics and Statistics; Bureau of Finance.....	124
Information furnished other government agencies.....	124
Pipeline carriers.....	124
Property value.....	124-125
Railroad construction indices.....	125
Records accepted as authority for taxation purposes.....	124
Service cost and revenue needs.....	125
Shortage of personnel, hinders production.....	125
Statistics furnished Bureau of Accounts and Cost Finding.....	124
Voluntary reorganizations.....	35
Water carriers and freight forwarders:	
Applications under section 5a.....	127
Bureau of.....	125
Compliance with act, investigations.....	126
Conferences regarding various matters.....	125
Forwarders:	
Agreements between carriers.....	127
Enforcement of section 411 (c).....	126
Operating revenues.....	20
Schedules, filing.....	119
Statutory exemption.....	126
Volume of traffic.....	15
Water carriers:	
Applications for certificates and permits.....	127
Bareboat charters of government-owned vessels.....	15
Competitive position of ports.....	12
Condition and problems.....	11
Coordination of water and motor service.....	14
Economic conditions.....	126
Exemptions.....	127
Great Lakes carriers.....	12
Intercoastal service.....	126
Labor contracts.....	11
Mississippi River carriers.....	13
Operating revenue and ratio.....	14
Package freight service.....	127
Panama Canal tolls.....	15
Pick-up and delivery service.....	13

Water carriers and freight forwarders—Continued

Water carriers—Continued	Page
Refrigerator shortage.....	127
Temporary authority.....	12, 128
Trailer-carrying service.....	127
Volume of traffic.....	13, 126
Water competitive rail rates.....	51
Waybill analysis.....	122
Working capital:	
Cash and temporary cash investments.....	24
Class I line-haul railways.....	24
Material and supplies.....	24





UNIVERSITY OF ILLINOIS-URBANA



3 0112 084229159